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The Korean Situation: Its Significance to the People of the United States

The President's Message to the Congress

[Released to the press by the White House July 19]

I am reporting to the Congress on the situation which has been created in Korea and on the actions which this Nation has taken, as a member of the United Nations, to meet this situation. I am also laying before the Congress my views concerning the significance of these events for this Nation and the world and certain recommendations for legislative action which, I believe, should be taken at this time.

Background on Korean Invasion

At 4 o'clock in the morning, Sunday, June 25, Korean time, armed forces from north of the 38th parallel invaded the Republic of Korea.

The Republic of Korea was established as an independent nation in August 1948, after a free election held under the auspices of the United Nations. This election, which was originally intended to cover all of Korea, was held only in the part of the Korean peninsula south of the 38th parallel, because the Soviet Government, which occupied the peninsula north of that parallel, refused to allow the election to be held in the area under its control.

The United States, and a majority of the other members of the United Nations, have recognized the Republic of Korea. The admission of Korea to the United Nations has been blocked by the Soviet veto.

In December 1948, the Soviet Government stated that it had withdrawn its occupation troops from northern Korea and that a local regime had been established there. The authorities in northern Korea continued to refuse to permit United Nations observers to pass the 38th parallel to supervise or observe a free election or to verify the withdrawal of Soviet troops.

Nevertheless, the United Nations continued its efforts to obtain a freely elected government for all of Korea, and at the time of the attack, a United

Nations Commission, made up of representatives of seven nations—Australia, China, El Salvador, France, India, the Philippines, and Turkey—was in the Republic of Korea.

Just 1 day before the attack of June 25, field observers attached to the United Nations Commission on Korea had completed a routine tour, lasting 2 weeks, of the military positions of the Republic of Korea south of the 38th parallel. The report of these international observers stated that the army of the Republic of Korea was organized entirely for defense. The observers found the parallel guarded on the south side by small bodies of troops in scattered outposts, with roving patrols. They found no concentration of troops and no preparation to attack. The observers concluded that the absence of armor, air support, heavy artillery, and military supplies precluded any offensive action by the forces of the Republic of Korea.

On June 25, within a few hours after the invasion was launched from the north, the Commission reported to the United Nations that the attack had come without warning and without provocation.

The reports from the Commission make it unmistakably clear that the attack was naked, deliberate, unprovoked aggression, without a shadow of justification.

This outright breach of the peace, in violation of the United Nations Charter, created a real and present danger to the security of every nation. This attack was, in addition, a demonstration of contempt for the United Nations, since it was an attempt to settle, by military aggression, a question which the United Nations had been working to settle by peaceful means.

The attack on the Republic of Korea, therefore, was a clear challenge to the basic principles of the United Nations Charter and to the specific actions taken by the United Nations in Korea. If this

challenge had not been met squarely, the effectiveness of the United Nations would have been all but ended, and the hope of mankind that the United Nations would develop into an institution of world order would have been shattered.

U.N. Action

Prompt action was imperative. The Security Council of the United Nations met, at the request of the United States, in New York at 2 o'clock in the afternoon, Sunday, June 25, eastern daylight time. Since there is a 14-hour difference in time between Korea and New York, this meant that the Council convened just 24 hours after the at-

tack began.

At this meeting, the Security Council passed a resolution which called for the immediate cessation of hostilities and for the withdrawal of the invading troops to the 38th parallel,¹ and which requested the members of the United Nations to refrain from giving aid to the northern aggressors and to assist in the execution of this resolution. The representative of the Soviet Union to the Security Council stayed away from the meeting, and the Soviet Government has refused to support the Council's resolution.

The attack launched on June 25 moved ahead rapidly. The tactical surprise gained by the aggressors, and their superiority in planes, tanks, and artillery, forced the lightly armed defenders to retreat. The speed, the scale, and the coordination of the attack left no doubt that it had been

plotted long in advance.

When the attack came, our Ambassador to Korea, John J. Muccio, began the immediate evacuation of American women and children from the danger zone. To protect this evacuation, air cover and sea cover were provided by the Commander in Chief of United States Forces in the Far East, General of the Army Douglas MacArthur. In response to urgent appeals from the Government of Korea, General MacArthur was immediately authorized to send supplies of ammunition to the Korean defenders. These supplies were sent by air transport, with fighter protection. The United States Seventh Fleet was ordered north from the Philippines, so that it might be available in the area in case of need.

Throughout Monday, June 26, the invaders continued their attack with no heed to the resolution of the Security Council of the United Nations. Accordingly, in order to support the resolution, and on the unanimous advice of our civil and military authorities, I ordered United States air and sea forces to give the Korean Government troops

cover and support.

On Tuesday, June 27, when the United Nations Commission in Korea had reported that the northern troops had neither ceased hostilities nor withdrawn to the 38th parallel, the United Nations Security Council met again and passed a second resolution recommending that members of the United Nations furnish to the Republic of Korea such aid as might be necessary to repel the attack and to restore international peace and security in the area.² The representative of the Soviet Union to the Security Council stayed away from this meeting also, and the Soviet Government has refused to support the Council's resolution.

World Response to U.N. Action

The vigorous and unhesitating actions of the United Nations and the United States in the face of this aggression met with an immediate and overwhelming response throughout the free world. The first blow of aggression had brought dismay and anxiety to the hearts of men the world over. The fateful events of the 1930's, when aggression unopposed bred more aggression and eventually war, were fresh in our memory.

But the free nations had learned the lesson of history. Their determined and united actions uplifted the spirit of free men everywhere. As a result, where there had been dismay there is hope; where there had been anxiety there is firm

determination.

Fifty-two of the 59 member nations have supported the United Nations action to restore peace

in Korea.

A number of member nations have offered military support or other types of assistance for the United Nations action to repel the aggressors in Korea. In a third resolution, passed on July 7, the Security Council requested the United States to designate a commander for all the forces of the members of the United Nations in the Korean operation and authorized these forces to fly the United Nations flag.3 In response to this resolution, General MacArthur has been designated as commander of these forces. These are important steps forward in the development of a United Nations system of collective security. Already, aircraft of two nations-Australia and Great Britain—and naval vessels of five nations—Australia, Canada, Great Britain, the Netherlands, and New Zealand—have been made available for operations in the Korean area, along with forces of Korea and the United States, under General MacArthur's command. The other offers of assistance that have been and will continue to be made will be coordinated by the United Nations and by the unified command, in order to support the effort in Korea to maximum advantage.

All the members of the United Nations who have endorsed the action of the Security Council realize the significance of the step that has been taken. This united and resolute action to put down lawless aggression is a milestone toward the establishment of a rule of law among nations.

¹ Bulletin of July 3, 1950, p. 4.

BULLETIN of July 3, 1950, p. 7.
 BULLETIN of July 17, 1950, p. 83.

Only a few countries have failed to support the common action to restore the peace. The most important of these is the Soviet Union.

Soviet Attitude Toward Restoring Peace

Since the Soviet representative had refused to participate in the meetings of the Security Council, which took action regarding Korea, the United States brought the matter directly to the attention of the Soviet Government in Moscow. On June 27, we requested the Soviet Government, in view of its known close relations with the north Korean regime, to use its influence to have the invaders withdraw at once.⁴

The Soviet Government, in its reply on June 29 ⁵ and in subsequent statements, has taken the position that the attack launched by the north Korean forces was provoked by the Republic of Korea and that the actions of the United Nations Security Council were illegal.

These Soviet claims are flatly disproved by the facts.

The attitude of the Soviet Government, toward the aggression against the Republic of Korea, is in direct contradiction to its often expressed intention to work with other nations to achieve peace in the world.

For our part, we shall continue to support the United Nations action to restore peace in the Korean area.

U.S. Support of U.N. Resolutions

As the situation has developed, I have authorized a number of measures to be taken. Within the first week of the fighting, General MacArthur reported, after a visit to the front, that the forces from north Korea were continuing to drive south, and further support to the Republic of Korea was needed. Accordingly, General MacArthur was authorized to use United States Army troops in Korea and to use United States aircraft of the Air Force and the Navy to conduct missions against specific military targets in Korea north of the 38th parallel, where necessary, to carry out the United Nations resolution. General MacArthur was also directed to blockade the Korean coast.

The attacking forces from the north have continued to move forward, although their advance has been slowed down. The troops of the Republic of Korea, though initially overwhelmed by the tanks and artillery of the surprise attack by the invaders, have been reorganized and are fighting bravely.

United States forces, as they have arrived in the area, have fought with great valor. The Army troops have been conducting a very difficult delaying operation with skill and determination, outnumbered many times over by attacking troops, spearheaded by tanks. Despite the bad weather of the rainy season, our troops have been valiantly supported by the air and naval forces of both the United States and other members of the United Nations.

Nature of Military Action in Korea

In this connection, I think it is important that the nature of our military action in Korea be understood. It should be made perfectly clear that the action was undertaken as a matter of basic moral principle. The United States was going to the aid of a nation established and supported by the United Nations and unjustifiably attacked by an aggressor force. Consequently, we were not deterred by the relative immediate superiority of the attacking forces, by the fact that our base of supplies was 5,000 miles away, or by the further fact that we would have to supply our forces through port facilities that are far from satisfactory.

We are moving as rapidly as possible to bring to bear on the fighting front larger forces and heavier equipment and to increase our naval and air superiority. But it will take time, men, and material to slow down the forces of aggression, bring those forces to a halt, and throw them back.

Nevertheless, our assistance to the Republic of Korea has prevented the invaders from crushing that nation in a few days—as they had evidently expected to do. We are determined to support the United Nations in its effort to restore peace and security to Korea, and its effort to assure the people of Korea an opportunity to choose their own form of government free from coercion, as expressed in the General Assembly resolutions of November 14, 1947, and December 12, 1948.

Implications for World Peace

In addition to the direct military effort we and other members of the United Nations are making in Korea, the outbreak of aggression there requires us to consider its implications for peace throughout the world. The attack upon the Republic of Korea makes it plain beyond all doubt that the international Communist movement is prepared to use armed invasion to conquer independent nations. We must, therefore, recognize the possibility that armed aggression may take place in other areas.

In view of this, I have already directed that United States forces in support of the Philippines be strengthened and that military assistance be speeded up to the Philippine Government and to the Associated States of Indochina and to the forces of France in Indochina. I have also ordered the United States Seventh Fleet to prevent any attack upon Formosa, and I have requested the Chinese Government on Formosa to cease all air and sea operations against the mainland. These

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⁴ Bulletin of July 10, 1950, p. 47. ⁵ Bulletin of July 10, 1950, p. 48.

steps were at once reported to the United Nations

Security Council.6

Our action in regard to Formosa was a matter of elementary security. The peace and stability of the Pacific area had been violently disturbed by the attack on Korea. Attacks elsewhere in the Pacific area would have enlarged the Korean crisis, thereby rendering much more difficult the carrying out of our obligations to the United Nations in Korea.

In order that there may be no doubt in any quarter about our intentions regarding Formosa, I wish to state that the United States has no territorial ambitions whatever concerning that island, nor do we seek for ourselves any special position or privilege on Formosa. The present military neutralization of Formosa is without prejudice to political questions affecting that island. Our desire is that Formosa not become embroiled in hostilities disturbing to the peace of the Pacific and that all questions affecting Formosa be settled by peaceful means as envisaged in the Charter of the United Nations. With peace reestablished, even the most complex political questions are susceptible of solution. In the presence of brutal and unprovoked aggression, however, some of these questions may have to be held in abeyance in the interest of the essential security of all.

The outbreak of aggression in the Far East does not, of course, lessen, but instead increases, the importance of the common strength of the free nations in other parts of the world. The attack on the Republic of Korea gives added urgency to the efforts of the free nations to increase and to unify their common strength, in order to deter a

potential aggressor.

To be able to accomplish this objective, the free nations must maintain a sufficient defensive military strength in being and, even more important, a solid basis of economic strength, capable of rapid mobilization in the event of emergency.

Growing Strength of Free World

The strong cooperative efforts that have been made by the United States and other free nations, since the end of World War II, to restore economic vitality to Europe and other parts of the world and the cooperative efforts we have begun in order to increase the productive capacity of underdeveloped areas are extremely important contributions to the growing economic strength of all the free nations and will be of even greater importance in the future.

We have been increasing our common defensive strength under the treaty of Rio de Janeiro and the North Atlantic Treaty, which are collective security arrangements within the framework of the United Nations Charter. We have also taken action to bolster the military defenses of individual free nations, such as Greece, Turkey, and

The defenses of the North Atlantic Treaty area were considered a matter of great urgency by the North Atlantic Council in London this spring. Recent events make it even more urgent than it was at that time to build and maintain these defenses.

Under all the circumstances, it is apparent that the United States is required to increase its military strength and preparedness not only to deal with the aggression in Korea but also to increase our common defense, with other free nations,

against further aggression.

Increased Strength Needed by U.S.

The increased strength which is needed falls into three categories.

In the first place, to meet the situation in Korea, we shall need to send additional men, equipment, and supplies to General MacArthur's command as rapidly as possible.

In the second place, the world situation requires that we increase substantially the size and materiel support of our armed forces, over and above the increases which are needed in Korea.

In the third place, we must assist the free nations associated with us in common defense to

augment their military strength.

Of the three categories I have just enumerated, the first two involve increases in our own military manpower, and in the materiel support that our men must have.

MILITARY MANPOWER

To meet the increased requirements for military manpower, I have authorized the Secretary of Defense to exceed the budgeted strength of military personnel for the Army, Navy, and Air Force and to use the Selective Service system to such extent as may be required in order to obtain the increased strength which we must have. I have also authorized the Secretary of Defense to meet the need for military manpower by calling into active Federal service as many National Guard units and as many units and individuals of the Reserve forces of the Army, Navy, and Air Forces as may be required.

I have directed the Secretary of Defense and the Joint Chiefs of Staff to keep our military manpower needs under constant study, in order that further increases may be made as required. There are now statutory limits on the sizes of the armed forces, and, since we may need to exceed these lim-

its, I recommend that they be removed.

SUPPLIES AND EQUIPMENT

To increase the level of our military strength will also require additional supplies and equipment. Procurement of many items has already been accelerated, in some cases for use in Korea, in

BULLETIN of July 3, 1950, p. 7.

others to replace reserve stocks which are now being sent to Korea, and in still others to add to our general level of preparedness. Further increases in procurement, resulting in a higher rate of production of military equipment and supplies, will be necessary.

APPROPRIATIONS

The increases in the size of the armed forces, and the additional supplies and equipment which will be needed, will require additional appropriations. Within the next few days, I will transmit to the Congress specific requests for appropriations in the amount of approximately 10 billion dollars.

These requests for appropriations will be addressed to the needs of our own military forces. Earlier, I referred to the fact that we must also assist other free nations in the strengthening of our common defenses. The action we must take to accomplish this is just as important as the measures required to strengthen our own forces.

The authorization bill for the Mutual Defense Assistance Program for 1951, now before the House of Representatives, is an important immediate step toward the strengthening of our collective security. It should be enacted without delay.

Strengthening Other Free Nations

But it is now clear that the free nations of the world must step up their common security program. The other nations associated with us in the Mutual Defense Assistance Program, like ourselves, will need to divert additional economic resources to defense purposes. In order to enable the nations associated with us to make their maximum contribution to our common defense, further assistance on our part will be required. Additional assistance may also be needed to increase the strength of certain other free nations whose security is vital to our own.

In the case of the North Atlantic area, these requirements will reflect the consultations now going on with the other nations associated with us in the North Atlantic Treaty. As soon as it is possible to determine what each nation will need to do, I shall lay before the Congress a request for such funds as are shown to be necessary to the attainment and maintenance of our common strength at an adequate level.

The steps which we must take to support the United Nations action in Korea, and to increase our own strength and the common defense of the free world, will necessarily have repercussions upon our domestic economy.

Many of our young men are in battle now, or soon will be. Others must be trained. The equipment and supplies they need, and those required for adequate emergency reserves, must be produced. They must be made available promptly,

at reasonable cost, and without disrupting the efficient functioning of the economy.

Protecting Economic Growth

We must continue to recognize that our strength is not to be measured in military terms alone. Our power to join in a common defense of peace rests fundamentally on the productive capacity and energies of our people. In all that we do, therefore, we must make sure that the economic strength which is at the base of our security is not impaired, but continues to grow.

Our economy has tremendous productive power. Our total output of goods and services is now running at an annual rate of nearly 270 billion dollars—over 100 billion dollars higher than in 1939. The rate is now about 13 billion dollars higher than a year ago and about 8 billion dollars higher than the previous record date reached in 1948. All the foregoing figures have been adjusted for price changes and are, therefore, a measure of actual output. The index of industrial production, now at 197, is 12 percent higher than the average for last year and 81 percent higher than in 1939.

We now have 61½ million people in civilian employment. There are 16 million more people in productive jobs than there were in 1939. We are now producing 11 million more tons of steel a year than in the peak war year 1944. Electric power output has risen from 128 billion kilowatt hours in 1939, to 228 billion hours in 1944, to 317 billion hours now. Food production is about a third higher than it ever was before the war and is practically as high as it was during the war years, when we were sending far more food abroad than we are now.

The potential productive power of our economy is even greater. We can achieve some immediate increase in production by employing men and facilities not now fully utilized. And we can continue to increase our total annual output each year, by putting to use the increasing skills of our growing population and the higher productive capacity which results from plant expansion, new inventions, and more efficient methods of production.

With this enormous economic strength, the new and necessary programs I am now recommending can be undertaken with confidence in the ability of our economy to bear the strains involved. Nevertheless, the magnitude of the demands for military purposes that are now foreseeable, in an economy which is already operating at a very high level, will require substantial redirection of economic resources.

ACTION AGAINST SHORTAGES

Under the program for increasing military strength which I have outlined above, military and related procurement will need to be expanded at a more rapid rate than total production can be expanded. Some materials were in short supply even before the Korean situation developed. The steel industry, for example, was operating at capacity levels and, even so, was not able to satisfy all market demands. Some other construction materials, and certain other products, were also under pressure and their prices were rising—even before the outbreak in Korea.

The substantial speed-up of military procurement will intensify these shortages. Action must be taken to insure that these shortages do not interfere with or delay the materials and the supplies

needed for the national defense.

PROTECTION AGAINST INFLATION

Further, the dollars spent now for military purposes will have a magnified effect upon the economy as a whole, since they will be added to the high level of current civilian demand. These increased pressures, if neglected, could drive us into a general inflationary situation. The best evidence of this is the recent price advances in many raw materials and in the cost of living, even upon the mere expectancy of increased military outlays.

In these circumstances, we must take action to insure that the increased national defense needs will be met and that in the process we do not bring on an inflation, with its resulting hardship for

every family

At the same time, we must recognize that it will be necessary for a number of years to support continuing defense expenditures, including assistance to other nations, at a higher level than we had previously planned. Therefore, the economic measures we take now must be planned and used in such a manner as to develop and maintain our economic strength for the long run as well as the short run.

SAFEGUARDS THROUGH LEGISLATION

I am recommending certain legislative measures to help achieve these objectives. I believe that each of them should be promptly enacted. We must be sure to take the steps that are necessary now, or we shall surely be required to take much

more drastic steps later on.

First, we should adopt such direct measures as are now necessary to assure prompt and adequate supplies of goods for military and essential civilian use. I, therefore, recommend that the Congress now enact legislation authorizing the Government to establish priorities and allocate materials as necessary to promote the national security; to limit the use of materials for nonessential purposes; to prevent inventory hoarding; and to requisition supplies and materials needed for the national defense, particularly excessive and unnecessary inventories.

Second, we must promptly adopt some general measures to compensate for the growth of demand caused by the expansion of military programs in a period of high civilian incomes. I am directing all executive agencies to conduct a detailed review of Government programs, for the purpose of modifying them wherever practicable to lessen the demand upon services, commodities, raw materials, manpower, and facilities which are in competition with those needed for national defense. The Government, as well as the public, must exercise great restraint in the use of those goods and services which are needed for our increased defense efforts.

Increase in Revenues

Nevertheless, the increased appropriations for the Department of Defense, plus the defense-related appropriations which I have recently submitted for power development and atomic energy, and others which will be necessary for such purposes as stockpiling, will mean sharply increased Federal expenditures. For this reason, we should increase Federal revenues more sharply than I have previously recommended, in order to reduce the inflationary effect of the Government deficit.

There are two fundamental principles which must guide us in framing measures to obtain these

additional revenues:

(A) We must make every effort to finance the greatest possible amount of needed expenditures by taxation. The increase of taxes is our basic weapon in offsetting the inflationary pressures exerted by enlarged government expenditures. Heavier taxes will make general controls less necessary.

(B) We must provide for a balanced system of taxation which makes a fair distribution of the tax burden among the different groups of individuals and business concerns in the Nation. A balanced tax program should also have as a major aim the elimination of profiteering.

At an appropriate time, as soon as the necessary studies are completed, I shall present to the Congress a program based on these principles to assure the financing of our needs in a manner which will be fair to all our citizens, which will help prevent inflation, and which will maintain the fiscal position of the Nation in the soundest

possible condition.

Control of Credit

As a further important safeguard against inflation, we shall need to restrain credit expansion. I recommend that the Congress now authorize the control of consumer credit and credit used for commodity speculation. In the housing field, where Government credit is an important factor, I have directed that certain available credit restraints be applied, and I recommend that further controls be authorized, particularly to restrain expansion of privately financed real estate credit. These actions will not only reduce the upward pressure on prices but will also reduce the demand for certain critical materials which are required for the production of military equipment.

Third, we must take steps to accelerate and increase the production of essential materials, products, and services. I recommend, therefore, that the Congress authorize, for national defense purposes, production loan guaranties and loans to increase production. I also recommend that the Congress authorize the making of long-term contracts and other means to encourage the production of certain materials in short supply.

In the forthcoming midyear economic report, I shall discuss in greater detail the current economic situation and the economic measures which I have recommended. If these measures are made available promptly, and firmly administered, I believe we will be able to meet military needs without serious disruption of the economy.

If we are to be successful, there must be sensible and restrained action by businessmen, labor, farmers, and consumers. The people of this country know the seriousness of inflation and will, I am sure, do everything they can to see that it does not come upon us. However, if a sharp rise in prices should make it necessary, I shall not hesitate to recommend the more drastic measures of price control and rationing.

Need for Building Strength

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The hard facts of the present situation require relentless determination and firm action. The course of the fighting thus far in Korea shows that we can expect no easy solution to the conflict there. We are confronted in Korea with well-supplied, well-led forces which have been long trained for aggressive action. We and the other members of the United Nations who have joined in the effort to restore peace in Korea must expect a hard and costly military operation.

We must also prepare ourselves better to fulfill our responsibilities toward the preservation of international peace and security against possible further aggression. In this effort, we will not flinch in the face of danger or difficulty.

The free world has made it clear, through the United Nations, that lawless aggression will be met with force. This is the significance of Korea—and it is a significance whose importance cannot be overestimated.

I shall not attempt to predict the course of events. But I am sure that those who have it in their power to unleash or withhold acts of armed aggression must realize that new recourse to aggression in the world today might well strain to the breaking point the fabric of world peace.

The United States can be proud of the part it has played in the United Nations action in this crisis. We can be proud of the unhesitating sup-

port of the American people for the resolute actions taken to halt the aggression in Korea and to support the cause of world peace.

The Congress of the United States, by its strong, bipartisan support of the steps we are taking and by repeated actions in support of international cooperation, has contributed most vitally to the cause of peace. The expressions of support which have been forthcoming from the leaders of both political parties for the actions of our Government and of the United Nations in dealing with the present crisis have buttressed the firm morale of the entire free world in the face of this challenge.

The American people, together with other free peoples, seek a new era in world affairs. We seek a world where all men may live in peace and freedom, with steadily improving living conditions, under governments of their own free choice.

For ourselves, we seek no territory or domination over others. We are determined to maintain our democratic institutions so that Americans now and in the future can enjoy personal liberty, economic opportunity, and political equality. We are concerned with advancing our prosperity and our well-being as a nation, but we know that our future is inseparably joined with the future of other free peoples.

We will follow the course we have chosen with courage and with faith, because we carry in our hearts the flame of freedom. We are fighting for liberty and for peace—and with God's blessing we shall succeed.

U.S. and Belgium Consult on Korean Assistance

[Released to the press July 22]

The Belgian Government is exchanging views with the United States Government regarding assistance in the Korean conflict. These discussions were instituted as a result of Belgium's decision which was communicated to the Secretary-General of the United Nations. The two Governments are, at present, in consultation with a view to ascertaining what types of aid Belgium can best furnish consistent with its international obligations. It is planned, as a first step, that the Belgian Government will lend assistance in air transport operations to and from the Korean theatre. A communication to this effect has been made this morning to the Secretary-General of the United Nations.

Prime Minister Nehru's Appeal To Settle Korean Problem by Admitting Chinese Communists to U.N. Rejected

[Released to the press July 19]

On July 13, Prime Minister Nehru, through the Indian Ambassador at Washington, transmitted to Secretary Acheson a message concerning the Korean situation. On July 18, the Secretary replied, through the American Ambassador at New Delhi. On July 19, the Indian Prime Minister transmitted, through the Indian Ambassador at Washington, a reply to the Secretary's message. Texts of the messages follow.

PRIME MINISTER NEHRU'S MESSAGE OF **JULY 13**

In interviews which your Ambassador has had with officials of the Ministry of External Affairs, we have explained India's position in the Korean dispute.

India's purpose is to localize the conflict and to facilitate an early peaceful settlement by breaking the present deadlock in the Security Council so that representatives of the People's Government of China can take a seat in the Council, the Union of Soviet Socialist Republics can return to it, and, whether within or through informal contacts outside the Council, the United States of America, the Union of Soviet Socialist Republics, and China, with the help and cooperation of other peaceloving nations, can find a basis for terminating the conflict and for a permanent solution of the Korean problem.

In full confidence of Your Excellency's determination to maintain peace and thus to preserve the solidarity of the United Nations, I venture to address this personal appeal to you to exert your great authority and influence for the achievement of this common purpose on which the well-being of mankind depends.

SECRETARY ACHESON'S MESSAGE OF JULY 18

I am deeply appreciative of the high purpose which prompted Your Excellency in sending the message which I received on July 13, 1950, through your distinguished Ambassador in Washington and your subsequent message of the 17th transmitting Prime Minister Stalin's reply to your similar letter to him of July 13. Both the President and I have given the most thoughtful consid-

eration to these communications.

One of the most fundamental objectives of the foreign policy of the United States is to assist in maintaining world peace, and the Government of the United States is firmly of the opinion that the United Nations is the most effective instrument yet devised for maintaining and restoring international peace and security. The United States is, therefore, eager to do all that is proper and possible to preserve and strengthen the United Nations.

The purpose of the United States Government and of the American people with respect to Korea is to support by all means at our disposal the determination of the United Nations to repel the armed attack upon Korea and to restore international peace and security in the area. We desire both to prevent the spread of aggression beyond Korea and to end it there—as required by the Security Council of the United Nations.

We are deeply conscious of the fact that lawabiding governments and peoples throughout the world have a vital stake in the issues involved in this aggression and in the success of the United Nations in dealing with it. It is painful to realize that there could have long since been a restoration of peace and the saving of the lives of those fighting on behalf of the United States had not a small minority of the United Nations failed to meet their obligations under the Charter and refused to use their authority and influence to prevent or stop the hostilities. The acceptance of their obligations and the exercise of their authority and influence in accordance with those obligations would restore peace tomorrow.

A breach of the peace or an act of aggression is the most serious matter with which the United Nations can be confronted. We do not believe that the termination of the aggression from northern Korea can be contingent in any way upon the

determination of other questions which are cur-

rently before the United Nations.

There has not been at any time any obstacle to the full participation by the Soviet Union in the work of the United Nations except the decision of the Soviet Government itself. The Security Council has shown that it is both competent and willing to act vigorously for the maintenance of

In our opinion, the decision between competing claimant governments for China's seat in the United Nations is one which must be reached by the United Nations on its merits. It is a question on which there is at present a wide diversity of views among the membership of the United Nations. I know you will agree that the decision should not be dictated by an unlawful aggression or by any other conduct which would subject the United Nations to coercion and duress.

I know that Your Excellency shares our earnest desire to see an early restoration of peace in Korea in accordance with the resolutions of the Security Council, and I assure you of our eagerness to work with you and your great country to establish in the United Nations a means by which the fear of aggression can be permanently lifted from the

peoples of the earth.

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PRIME MINISTER NEHRU'S MESSAGE OF JULY 19

I thank you for your letter which your Ambas-

sador conveyed to me last night.

I am grateful to President Truman and to you for the consideration that you have given to my message of the 13th July and to the subsequent communication forwarding Marshal Stalin's reply

to my message to him of the same date.

I recognize that one of the most fundamental objectives of the foreign policy of the United States is to assist in maintaining world peace, and that the Government of the United States is firmly of the opinion that the United Nations is one of the most effective instruments yet devised for maintaining and restoring international peace and security. As Your Excellency must be aware, the maintenance of peace and support of the United Nations has consistently been the policy of the Government of India.

My suggestion for breaking the present deadlock in the Security Council, so that representatives of the People's Government of China can take their seat in the Council and the Union of Soviet Socialist Republics can return to it, was designed to fulfill this policy, not to weaken it. In voting for the resolutions on Korea adopted by the Security Council, on the 25th and 27th June, it was our purpose to strengthen the United Nations in resisting aggression.

Since the Government of India recognized the People's Government of China on 30th December 1949, it has been our endeavour to bring about the admission of its representatives to the various organs and agencies of the United Nations. Our present proposal was a renewal of this effort. It was made on its merits and also in the hope that it would create a suitable atmosphere for the peaceful solution of the Korean problem. I do not think that the admission of China now would be an encouragement of aggression.

I am requesting our Ambassador in Moscow to communicate the text of Your Excellency's letter to me, and of my reply, to Marshal Stalin. Arrangements are also being made to release at 3 a. m. tomorrow (20 July, Indian standard time), copies of these two letters, of my messages to Your Excellency and to Marshal Stalin dated 13th July, and of the messages exchanged between Marshal Stalin and me on the 15th and 16th July, respectively.

Korea in Perspective

Extemporaneous Remarks by Secretary Acheson 1

Tomorrow evening, it will be exactly 4 weeks since the attack took place in Korea. I thought it might be useful if we stopped for a moment and surveyed broadly what has happened in the 4 weeks which have followed that attack. I think we become so absorbed in the daily report of the fighting in Korea that it might be useful to get some perspective in the larger field.

This attack, as you know, was a very carefully, well-planned sneak attack which was supposed to overwhelm the Republic of Korea in a very short time. As a result of the prompt, vigorous, and determined action of the free world that has not

happened.

What has happened in the month is that there was an instantaneous and vigorous response from the Security Council of the United Nations. Here, it was confronted with a clear case of aggression, and it met that issue squarely and clearly. That

is a most important development.

Following that, there was instantaneous and strong support of the United Nations from the United States. The United States was joined in that by other nations which promptly made forces available, so that you have not only strong action by the United Nations, strong action by the United States, you also have actual participation in the resistance to aggression by other countries and overwhelming international support throughout the entire free world for the action of the United Nations. You have a united free world, you have a united country and a united nation behind the United Nations. So much for the larger international picture.

¹ Made at a news conference on July 21, 1950 and released on the same date.

In the United States, the President has immediately assumed the leadership in this critical period, and a program was presented by him to Congress on Wednesday which again met with a warm response from the Congress. He did not, as he said, put this forward as the complete program. There are other matters which he said would be presented to the Congress as soon as they could be worked out. Those are largely related to our assistance in strengthening the other free nations associated with us.

Now, all of these steps have taken place within a month. They have brought about this extraordinary degree of unity within the free world and within the country, this vigorous response to the aggression and a very determined effort on the part of the United States to put itself in a position

I do not recall any period of 4 weeks in the history of the United States when so much has been accomplished.

General MacArthur's Estimate of the Korean Situation

The following message from General MacArthur to the President was received on July 19 and released to the press by the White House on July 20.

The following is my current estimate of the Korean situation:

With the deployment in Korea of major elements of the Eighth Army now accomplished, the first phase of the campaign has ended and with it the chance for victory by the North Korean forces. The enemy's plan and great opportunity depended upon the speed with which he could overrun South Korea once he had breached the Han River line and with overwhelming numbers and superior weapons temporarily shattered South Korean resistance. This chance he has now lost through the extraordinary speed with which the Eighth Army has been deployed from Japan to stem his rush. When he crashed the Han Line the way seemed entirely open and victory was within his grasp.

The desperate decision to throw in piecemeal American elements as they arrived by every available means of transport from Japan was the only hope to save the situation. The skill and valor thereafter displayed in successive holding actions by the ground forces in accordance with this concept, brilliantly supported in complete coordination by air and naval elements, forced the enemy into continued deployments, costly frontal attacks and confused logistics, which so slowed his advance and blunted his drive that we have bought the precious time necessary to build a secure base.

I do not believe that history records a com-

parable operation which excelled the speed and precision with which the Eighth Army, the Far East Air Force and the Seventh Fleet have been deployed to a distant land for immediate commit-ment to major operations. It merits highest commendation for the commanders, staffs and units concerned and attests to their superior training and high state of readiness to meet any eventuality. This finds added emphasis in the fact that the Far East Command, until the President's great pronouncement to support the epochal action of the United Nations, had no slightest responsibility for the defense of the Free Republic of Korea. With the President's decision it assumed a completely new and added mission.

It is, of course, impossible to predict with any degree of accuracy future incidents of a military campaign. Over a broad front involving continuous local struggles, there are bound to be ups and downs, losses as well as successes. Our final stabilization line will unquestionably be rectified and tactical improvement will involve planned withdrawals as well as local advances. But the issue of battle is now fully joined and will proceed along lines of action in which we will not be without choice. Our hold upon the southern part of Korea represents a secure base. Our casualties despite overwhelming odds have been relatively light. Our strength will continually increase while that of the enemy will relatively decrease. His supply line is insecure. He has had his great chance but failed to exploit it. We are now in Korea in force, and with God's help we are there to stay until the constitutional authority of the Republic is fully restored.

Korean Commission Concerned Over Breach of Geneva Conventions

[Released to the press by U. N. Department of Public Information July 14]

The United Nations Commission on Korea, at its meeting held today in Pusan, expressed grave concern at reports of the shooting of prisoners and other acts contrary to humanitarian principles in the course of the present conflict in Korea.

In a personal statement issued at the same time, the current Chairman of the Commission, Angel Gochez Marin, the representative of El Salvador,

declared:

The Commission has considered the grave implications of the acts committed during the present conflict against the Geneva Conventions which provide for protection on both sides of military wounded and sick, of war prisoners, of civilian internees and of the civilian population.

The Commission is convinced that such actions are not only barbarous and contrary to the basic principles of humanity but can have no other effect than embittering relations between the people of Korea still further, and postponing to a more remote date any hope of an ultimate

settlement or of unification in this country.

Mr. Marin referred to Secretary-General Trygve Lie's appeal to the North Korean authorities and to the Republic of Korea, suggesting that both use the services of the International Red Cross to insure implementation of the Geneva conventions in the Korean conflict. The Chairman then said:

The Commission believes it will be failing in its duty if it does not make every possible effort to secure the adoption of these humanitarian measures in the present hostilities. It therefore makes a heartfelt appeal for action to be taken by the North Korean authorities and the Republic of Korea that will ensure that no breach of the Conventions are committed by their forces.

tions are committed by their forces.

The Commission feels deeply that at all costs anything that will further embitter relations must be avoided. It is convinced that nothing is better calculated to keep alive hatred in Korea than cruel and barbarous acts contrary to the Geneva Conventions.

The Commission is in session on the soil of Korea and will wholeheartedly support any steps which might be taken by the International Red Cross, by the Republic of Korea or by the North Korean authorities to establish measures for the application of the Conventions.

The Chairman's message was broadcast from the Commission's headquarters in Korea.

Authority of the President To Repel the Attack in Korea

DEPARTMENT OF STATE MEMORANDUM OF JULY 3, 1950

[Excerpts]

This memorandum is directed to the authority of the President to order the Armed Forces of the United States to repel the aggressive attack on the Republic of Korea.

As explained by Secretary Acheson to the press on June 28, as soon as word of the attack on Korea was received in Washington, it was the view of the President and of all his advisers that the first responsibility of the Government of the United States was to report the attack to the United Nations.

Accordingly, in the middle of the night of Saturday, June 24, 1950, Ambassador Gross, the United States deputy representative at the Security Council of the United Nations, notified Mr. Trygve Lie, the Secretary-General of the United Nations, that armed forces from North Korea had commenced an unprovoked assault against the territory of the Republic of Korea.

The President, as Commander in Chief of the Armed Forces of the United States, has full control over the use thereof. He also has authority to conduct the foreign relations of the United States. Since the beginning of United States history, he has, upon numerous occasions, utilized these powers in sending armed forces abroad. The preservation of the United Nations for the maintenance of peace is a cardinal interest of the United States. Both traditional international law and article 39 of the United Nations Charter and the resolution pursuant thereto authorize the United States to repel the armed aggression against the Republic of Korea.

The President's control over the Armed Forces of the United States is based on article 2, section 2 of the Constitution which provides that he "shall be Commander in Chief of the Army and Navy of the United States."

Constitutional Powers of the President

In United States v. Sweeny, the Supreme Court said that the object of this provision was "evidently to vest in the President the supreme command over all the military forces,—such supreme and undivided command as would be necessary to the prosecution of a successful war." ²

That the President's power to send the Armed Forces outside the country is not dependent on Congressional authority has been repeatedly emphasized by numerous writers.

For example, ex-President William Howard Taft wrote:

The President is made Commander in Chief of the Army and Navy by the Constitution evidently for the purpose of enabling him to defend the country against invasion, to suppress insurrection and to take care that the laws be faithfully executed. If Congress were to attempt to prevent his use of the Army for any of these purposes, the action would be void. . . . Again, in the carrying on of war as Commander in Chief, it is he who is to determine the movements of the Army and of the Navy. Congress could not take away from him that discretion and place it beyond his control in any of his subordinates, nor could they themselves, as the people of Athens attempted to carry on campaigns by votes in the market-place.

Professor Willoughby writes:

As to his constitutional power to send United States forces outside the country in time of peace when this is deemed by him necessary or expedient as a means of preserving or advancing the foreign interests or relations of the United States, there would seem to be equally little doubt, although it has been contended by some that the exercise of this discretion can be limited by congressional statute. That Congress has this right to limit or to

¹This memorandum also appeared in H. Rept. 2495, 81st Cong., 2d sess., p. 61.

^{2 157} U.S. (1895) 281, 284.

Our Chief Magistrate and His Powers, 1916, pp. 128-

forbid the sending of United States forces outside of the country in time of peace has been asserted by so eminent an authority as ex-Secretary Root. It would seem to author, however, that the President, under his powers as Commander in Chief of the Army and Navy, and his general control of the foreign relations of the United States, has this discretionary right constitutionally vested in him, and, therefore, not subject to congressional control. Especially, since the argument of the court in Myers v. United States with reference to the general character of the executive power vested in the President, and, apparently, the authority impliedly vested in him by reason of his obligation to take care that the laws be faithfully executed, it is reasonable to predict that, should the question be presented to it, the Supreme Court will so hold. Of course, if this sending is in pursuance of express provisions of a treaty, or for the execution of treaty provisions, the sending could not reasonably be subject to constitutional objection.

In an address delivered before the American Bar Association in 1917 on the war powers under the Constitution, Mr. Hughes stated that "There is no limitation upon the authority of Congress to create an army and it is for the President as Commander-in-Chief to direct the campaigns of that Army wherever he may think they should be carried on." He referred to a statement by Chief Justice Taney in Fleming v. Page (9 How. 615) in which the Chief Justice said that as Commander in Chief the President "is authorized to direct the movements of the naval and military forces placed by law at his command." 5

At the time the approval of the Treaty of Versailles was under consideration in the Senate, there was under discussion a reservation to article 10, presented by Senator Lodge, to the effect that "Congress... under the Constitution, has the sole power to declare war or authorize the employment of the military or naval forces of the United States." Senator Walsh of Montana stated in debate on November 10, 1919 that the statement was a recital of "What is asserted to be a principle of constitutional law." He said that if—

... any declaration of that character should ever be made by the Senate of the United States, it would be singularly unfortunate. It is not true. It is not sound. It is fraught with the most momentous consequences, and may involve disasters the extent of which it is hardly possible to conceive.

The whole course of our history has been a refutation of such a declaration, namely, that the President of the United States, the Chief Executive of the United States, the Commander in Chief of the Army of the United States, has no power to employ the land or naval forces without any express authorization upon the part of Congress. Since the beginning of our Government, our Navy has been sent over the seven seas and to every port in the world. Was there ever any congressional act authorizing the President to do anything of that kind?

He stated that our Navy travels the sea "in order to safeguard and protect the rights of American citizens in foreigns lands. Who can doubt that the President has no authority thus to utilize the naval and land forces of the United States?"

'The Constitutional Law of the United States, 1929, vol. III, p. 1567.)

⁵ S. doc. 105, 65th Cong., 1st sess., p. 7.

Mr. Borah stated:

I agree fully with the legal or constitutional proposition which the Senator states, and I hope this [reservation] will be stricken out. It is an act of supererogation to put it in. It does not amount to anything. It is a recital which is not true.

It can not change the Constitution, and it ought not to be there. . . . It would simply be vain and futile and, if I may say so, with due respect to those who drew it, the doing of an inconsequential thing." ⁶

Not only is the President Commander in Chief of the Army and Navy, but he is also charged with the duty of conducting the foreign relations of the United States and in this field he "alone has the power to speak or listen as a representative of the Nation."

Obviously, there are situations in which the powers of the President as Commander in Chief and his power to conduct the foreign relations of this country complement each other.

The basic interest of the United States is international peace and security. The United States has, throughout its history, upon orders of the Commander in Chief to the Armed Forces and without congressional authorization, acted to prevent violent and unlawful acts in other states from depriving the United States and its nationals of the benefits of such peace and security. It has taken such action both unilaterally and in concert with others. A tabulation of 85 instances of the use of American Armed Forces without a declaration of war was incorporated in the Congressional Record for July 10, 1941.

Purposes for Sending American Troops Abroad

It is important to analyze the purposes for which the President as Commander in Chief has authorized the despatch of American troops abroad. In many instances, of course, the Armed Forces have been used to protect specific American lives and property. In other cases, however, United States forces have been used in the broad interests of American foreign policy, and their use could be characterized as participation in international police action.

The traditional power of the President to use the Armed Forces of the United States without consulting Congress was referred to in debates in the Senate in 1945. Senator Connally remarked:

The historical instances in which the President has directed armed forces to go to other countries have not been confined to domestic or internal instances at all. Senator Millikin pointed out that in many cases the President has sent troops into a foreign country to protect our foreign policy . . . notably in Central and South America. That was done, he continued, in order to keep foreign countries out of there—was not aimed at protecting any particular American citizen. It was aimed at protecting our foreign policy.

⁶ 58 Cong. Rec., pt. 8, p. 8195, Nov. 10, 1919, 66th Cong.,

¹st sess.

[†] United States v. Curtiss-Wright Export Corp. et al. (299 U.S. (1936) 304, 319).

To his remark that he presumed that by the Charter of the United Nations we had laid down a foreign policy which we could protect, Senator Connally replied that that was absolutely correct. He added:

I was trying to indicate that fact by reading the list of instances of intervention on our part in order to keep another government out of territory in this hemisphere That was a question of carrying out our international policy, and not a question involving the protection of some American citizen or American property at the moment.

During the Boxer Rebellion in China in 1900-1901, the President sent about 5,000 troops to join with British, Russian, German, French, and Japanese troops to relieve the siege of the foreign quarters in Peking and reestablish the treaty status. This was done without express congressional authority. In defining United States policy at the time Secretary of State Hay said:

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. The purpose of the President is, as it has been heretofore, to act concurrently with the other powers; first, in opening up communication with Peking and rescuing the American officials, missionaries, and other Americans who are in danger; secondly, in affording all possible protection everywhere in China to American life and property; thirdly, in guarding and protecting all legitimate American interests; and, fourthly, in aiding to prevent a spread of the disorders to the other provinces of the Empire and a recurrence of such disasters. It is, of course, too early to forecast the means of attaining this last result; but the policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire.

After the opening up of Japan to foreigners in the 1850's through the conclusion of commercial treaties between Japan and certain Western powers, antiforeign disturbances occurred. In 1863, the American Legation was burned following previous attacks on the British Legation. The commander of the U.S.S. Wyoming was instructed to use all necessary force for the safety of the legation or of Americans residing in Japan. Secretary of State Seward said that the prime objects of the United States were:

First, to deserve and win the confidence of the Japanese Government and people, if possible, with a view to the common interest of all the treaty powers; secondly, to sustain and cooperate with the legations of these powers, in good faith, so as to render their efforts to the same end

In 1864, the Mikado, not recognizing the treaties with the Western powers, closed the straits of Shimonoseki. At the request of the Tycoon's government (opposed to the Mikado), American, British, French, and Netherlands forces, in a joint

operation, opened the straits by force. The object of the Western powers was the enforcement of treaty rights, with the approval of the government that granted them.11

Again, in 1868, a detachment of Japanese troops assaulted foreign residents in the streets of Hiogo. One of the crew of the Oneida was seriously wounded. The safety of the foreign population being threatened, naval forces of the treaty powers made a joint landing and adopted measures to protect the foreign settlement.12

Former Assistant Secretary of State James Grafton Rogers has characterized these uses of force as "international police action", saying:

They amounted to executive use of the Armed Forces to establish our own and the world's scheme of international order. Two American Presidents used men, ships and guns on a large and expensive scale.³³

In 1888 and 1889, civil war took place in Samoa where the United States, Great Britain, and Germany had certain respective treaty rights for the maintenance of naval depots. German forces were landed, and the German Government invited the United States to join in an effort to restore calm and quiet in the islands in the interest of all the treaty powers. The commander of the United States naval forces in the Pacific was instructed by the Secretary of the Navy that the United States was willing to cooperate in restoring order "on the basis of the full preservation of American treaty rights and Samoan authority, as recognized and agreed to by Germany, Great Britain, and the United States." He was to extend full protection and defense to American citizens and property, to protest the displacement of the native government by Germany as violating the positive agreement and understanding between the treaty powers, but to inform the British and German Governments of his readiness to cooperate in causing all treaty rights to be respected and in restoring peace and order on the basis of the recognition of the Samoan right to independence.14

On July 7, 1941, The President sent to the Congress a message announcing that as Commander in Chief he had ordered the Navy to take all necessary steps to insure the safety of communications between Iceland and the United States as well as on the seas between the United States and all other strategic outposts and that American troops had been sent to Iceland in defense of that country. The United States, he said, could not permit "the occupation by Germany of strategic outposts in the Atlantic to be used as air or naval bases for eventual attack against the Western Hemisphere." For the same reason, he said, substantial forces of the United States had been sent to the bases ac-

^{*} Cong. Rec., 79th Cong., 1st sess., vol. 91, pt. 8, Nov. 26, 1945, p. 10967.

John Bassett Moore, A Digest of International Law, vol. v, p. 482. See also Taft, op. cit. pp. 114-115; Rogers, op. cit. pp. 58-62.

John Bassett Moore, A Digest of International Law,

vol. v, pp. 747-748.

¹¹ John Bassett Moore, A Digest of International Law, vol. v, p. 750; S. Ex. Doc. 58, 41 Cong. 2d sess.

Report of the Secretary of the Navy, 1868, p. xi. ²³ World Policing and the Constitution, published by the World Peace Foundation, 1945, pp. 66, 67.

¹⁴ John Bassett Moore, A Digest of International Law, vol. I, pp. 545-546.

quired from Great Britain in Trinidad and British Guiana in the South to forestall any pincers movement undertaken by Germany against the Western

Hemisphere.15

Thus, even before the ratification of the United Nations Charter, the President had used the Armed Forces of the United States without consulting the Congress for the purpose of protecting the foreign policy of the United States. The ratification of the United Nations Charter was, of course, a landmark in the development of American foreign policy. As noted above, Senator Connally and Senator Millikin agreed that the President was entitled to use armed forces in protection of the foreign policy represented by the Charter. This view was also expressed in the Senate debates in connection with the ratification of the Charter. For example, Senator Wiley made the following pertinent statement:

It is my understanding, according to the testimony given before the Foreign Relations Committee of the Senate, that the terms "agreement or agreements" as used in article 43 are synonymous with the word "treaty." On the other hand, I recognize that Congress might well interpret them as agreements brought about by the action of the Executive and ratified by a joint resolution of both Houses. These agreements would provide for a police force and the specific responsibility of each nation. But outside of these agreements, there is the power in our Executive to preserve the peace, to see that the "supreme laws" are faithfully executed. When we become a party to this charter, and define our responsibilities by the agreement or agreements, there can be no question of the power of the Executive to carry out our commitments in relation to international policing. His constitutional power, however, is in no manner impaired."

An even fuller exposition of the point was made by Senator Austin, who stated:

Mr. President, I am one of those lawyers in the United States who believe that the general powers of the President—not merely the war powers of the President but the general authority of the President—are commensurate with the obligation which is imposed upon him as President, that he take care that the laws are faithfully executed. That means that he shall take all the care that is required to see that the laws are faithfully executed.

Of course, there are other specific references in the Constitution which show that he has authority to employ armed forces when necessary to carry out specific things named in the Constitution; but the great over-all and general authority arises from his obligation that he take care that the laws are faithfully executed. That has been true throughout our history, and the Chief Executive has taken care, and has sent the armed forces of the United States, without any act of Congress preceding their sending, on a great many occasions. I have three different compilations of those occasions. One of them runs as high as 150 times; another of them 72 times, and so forth. It makes a difference whether we consider the maneuvers which were merely shows of force as combined in the exercise of this authority—as I do—or whether we limit the count to those cases in which the armed forces have actually entered upon the territory of a peaceful neighbor. But there is no doubt in my mind of his obligation and authority to employ all the force that is necessary to enforce the laws.

It may be asked, How does a threat to international security and peace violate the laws of the United States? Perhaps, Mr. President, it would not have violated the laws of the United States previous to the obligations set forth in this treaty. Perhaps we have never before recognized as being true the fundamental doctrine with which I opened my remarks. But we are doing so now. We recognize that a breach of the peace anywhere on earth which threatens the security and peace of the world is an attack upon us; and after this treaty is accepted by 29 nations, that will be the express law of the world. It will be the law of nations, because according to its express terms it will bind those who are nonmembers, as well as members, and it will be the law of the United States, because we shall have adopted it in a treaty. Indeed, it will be above the ordinary statutes of the United States, because it will be on a par with the Constitution, which provides that treaties made pursuant thereto shall be the supreme law of the land.

So I have no doubt of the authority of the President in the past, and his authority in the future, to enforce peace. I am bound to say that I feel that the President is the officer under our Constitution in whom there is exclusively vested the responsibility for maintenance of peace.³⁷

Action contrary to the Charter of the United Nations is action against the interests of the United States. Preservation of peace under the Charter is a cornerstone of American foreign policy. President Truman said in his inaugural address in 1949:

In the coming years, our program for peace and freedom will emphasize four major courses of action.

First, we will continue to give unfaltering support to the United Nations and related agencies, and we will continue to search for ways to strengthen their authority and increase their effectiveness.

In the Korean situation, the resolution of the Security Council of June 25 determined, under article 39 of the Charter, that the action of the North Koreans constituted a breach of the peace and called upon "the authorities in North Korea (a) to cease hostilities forthwith; and (b) to withdraw their armed forces to the thirty-eighth parallel." It also called upon "all Members to render every assistance to the United Nations in the execution of this resolution." This is an application of the principles set forth in article 2, paragraph 5 of the Charter, which states: "All Members shall give the United Nations every assistance in any action it takes in accordance with the present Charter . . ." The Security Council resolution of June 27, passed after the North Korean authorities had disregarded the June 25 resolution, recommended "that Members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area." This recommendation was also made under the authority of article 39 of the Charter.

The President's action seeks to accomplish the

objectives of both resolutions.

The continued defiance of the United Nations by the North Korean authorities would have meant that the United Nations would have ceased to

¹⁸ Cong. Rec., 77th Cong., 1st sess., vol. 87, pt. 6, July 7, 1941, p. 5868.

¹⁶ Cong. Rec., 79th Cong., 1st sess., vol. 91, July 27, 1945, p. 8127–8128.

¹⁷ Cong. Rec., 79th Cong., 1st sess., vol. 91, July 26, 1945, p. 8064–8065.

exist as a serious instrumentality for the maintenance of international peace. The continued existence of the United Nations as an effective international organization is a paramount United States interest. The defiance of the United Nations is in clear violation of the Charter of the United Nations and of the resolutions adopted by the Security Council of the United Nations to bring about a settlement of the problem. It is a threat to international peace and security, a threat to the peace and security of the United States and to the security of United States forces in the Pacific.

These interests of the United States are interests which the President as Commander in Chief can protect by the employment of the Armed Forces of the United States without a declaration of war. It was they which the President's order of June 27 did protect. This order was within his authority as Commander in Chief.

USE OF LAND AND NAVAL FORCES OF THE UNITED STATES FOR PROTECTION PURPOSES¹⁹

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The United States has used its land and naval forces in foreign territories during peacetime on

many occasions during the past hundred years. They have been landed, inter alia, for the protection of American citizens and American territory, as in the instance of the Spanish Floridas in 1817; for the protection of American citizens located in disturbed areas; for the suppression of piracy; for meting out punishment (in an early day) to lawless bands who had murdered American citizens; for the suppression of local riots and the preservation of order; for the purpose of securing the payment of indemnity; and to prevent massacre.

Although there may have been earlier instances, the first instance that has been drawn to my attention of the landing of United States troops occurred in 1812 when President Monroe sent forces to expel freebooters who had taken possession in the name of the Governments of Buenos Aires and Venezuela of Amelia Island, off the coast of Florida. Although the island belonged to Spain the measure was not taken in concert with the Spanish Government or the local authorities of Florida. I find that as late as 1932 American forces were sent to Shanghai owing to the Sino-Japanese conflict as a measure of protection for the lives and property of American citizens in that area.

A list of various landings of American forces and the occasions therefor follows:

	Place	Year	Purpose
1.	Amelia Island	1812	To protect Spanish island from foreign invasion or control.
2.			
3.	Cuba		To pursue and break up an establishment of pirates.
	Puerto Rico		
5.	Falkland Islands		To procure the release of certain vessels and their crews.
6.	Island of Sumatra		To punish natives for attack and seizure of American ship and murder of crew.
	Fiji Islands		
	Samoa		
	Island of Johanna		
			To procure a commerical treaty.
	China		
12.	Grevtown	1854	To protect American property rights.
	Fiji Islands		
	Uruguay		
	China		To prevent injury to American interests.
16.	Egypt	1858	
	Uruguay		To protect life and property of foreign residents; action taken at request of regular Government in conjunction with forces of other powers.
18.	Fiji Islands	1858	To punish natives for murder of two Americans.
19.	China	1859	To restore order in Shanghai.
20.	Kisembo, Africa	1860	To prevent destruction of American property.
21.	Panama	1860	To restore order during insurrection.
22.	Japan	1863	To obtain redress for an unwarranted attack upon an American vessel.
23.	Do	1864	To open the Straits of Shimonoseki in conjunction with other powers; action taken at request of the Tycoon's government.
24.	Formosa	1867	To punish natives who had murdered the crew of a wrecked American bark.
	Japan		To protect American interests during local hostilities.
	Uruguay		To protect American interests at request of local authorities.
27.	Korea	1871	To capture Korean forts after a surveying party which had been granted permission to make certain surveys and soundings in the interest of science and commerce had been treacherously attacked.
28.	Honolulu	1874	To suppress riotous proceedings at request of local authorities.
			To preserve order, pending arrival of regular Government forces after evacuation of revolutionists.

¹⁸ Reprinted from H. Rept. 2495, 81st Cong., 2d sess., p. 67.

20	E4	1000	The summer sixty and market American interests
	Egypt		
31.	Korea	1000	To protect American residents. To establish a stable government; joint action by United States, Great
04.	Samoa	1000	Britain, and Germany.
33.	Haiti	1888	To obtain the release of an American merchant vessel captured by a
			Haitian war vessel.
34.	Navassa Island	1891	To protect American life and property.
35.	Chile	1891	
36.	Hawaii	1893	To protect life and property at the time of the deposition of the Queen
37.	Brazil	1893	
			the Brazilian Navy; it was reported that the insurgents had the
90	T/	1004	assistance of certain European powers.
	Korea		To protect the American Legation.
	Samoa		
10.	Micaragua	1099	insurrection.
41	China	1900	To protect life and property at time of Boxer uprising.
42	Dominican Republic	1903	To protect American interests.
43.	Do.	1903	To protect American lives and property and to prevent fighting within
10.	200000000000000000000000000000000000000	1000	certain area.
44.	Honduras	1907	To protect American consulate and American interests during hostilities
			between Honduras and Nicaragua.
45.	Nicaragua	1910	To protect American life and property during revolution; to prevent the
			bombardment of Bluefields.
46.	Honduras	1910-11	To protect American interests during revolutionary disturbances.
	China	1911	To protect the consulate and property of American citizens of Foochow.
48.	Do		To protect American consulate and American citizens at Chinkiang.
49.	Do		To increase the guard of the American Legation at Peking.
50.	Do		To keep open the railroad from Peking to the sea.
51.	China Santan		To extend protection.
52.	China, Swatow	1012	To save a woman and some children and conduct them to safety.
54	Honduras	1012	To quell uprising; to protect American life and property. To protect an American-owned railroad.
55	Nicaragua	1012	To protect an American-owned ramoad. To protect American property, at request of Government of Nicaragua.
	Dominican Republic		To protect Dominican customshouses, in conformity with the provisions
00.	Dominican Republic	1012-14	of the treaty of 1907.
57.	China, Chapei	1913	To prevent disorder and give protection.
58.	China, Shanghai	1913	For protection.
	Paris		To act as a guard for the American Embassy.
60.	Mexico, Veracruz	1914	To enforce demands for amends for affronts and indignities to an officer
	** ***		of the U. S. S. Dolphin and the crew of the whaleboat of the Dolphin.
	Haiti		To protect American life and property during disturbed conditions.
62.	China, Nanking	1916	To quell a riot.
64	Mexico Dominican Republic	1916-17	To pursue Villa after his invasion of American territory. To suppress revolution; to establish military government.
65	Cuba	1017-10	To protect American consulate and American lives and property during
00.	Cuba	1917-19	insurrection and banditti fighting.
66	China, Chungking	1918	For protection during a political crisis.
67.	Honduras	1919.	To cooperate with the forces of Honduras in maintaining order in a neu-
			tral zone.
68.	Panama	1919	To extend protection, at request of Panamanian Government.
69.	China, Kiukiang	1920	To restore order during riot.
70.	China, Youchow	1920	To guard American property.
	Guatemala	1920	To protect the American Legation during local fighting.
72.	Smyrna	1922	To protect American life and property during the advance of Turkish
20	Chi. Tr.	1000	forces on that city.
	China, Tungchow		To protect against possible violence by retreating Fengtien forces.
74.	China, Foochow	1922	To protect American nationals.
70.	China, Masu Island	1923	To protect Americans against brigandage.
10.	Honduras	1924	To protect American life and property during unsettled conditions; intermittent landing of forces.
77.	Do	1095	To protect American property.
	Panama	1025	To extend protection during unsettled conditions, at request of Panama-
			nian Government.
79.	Nicaragua	1926	To protect life and property during revolution.
80.	China, Hankow	1927	To protect lives and interests of Americans during mob-riot disturbances.
81.	China, Shanghai	1927	To protect American lives and property.
	China, Nanking		To afford protection against looting and general disorder.
83.	China, Chinkiang	1927	To extinguish fire on American property caused by gunfire.
34.	China, Canton	1927	To aid in evacuation.
	China, Shanghai		To strengthen forces at Shanghai, as a measure of protection for the lives
			and property of American nationals.

Purpose

Place

Year

KOREA: CHRONOLOGY OF EVENTS JULY 1, 1949 TO JUNE 30, 1950 10

July 1, 1949: Korean Military Advisory Group (KMAG) established.

August 4, 1949: North Korean forces launch a new and large-scale invasion of the Ongjin Peninsula, but are repulsed after heavy fighting.

August 6, 1949: Generalissimo Chiang Kai-shek arrives in Korea for talks with President Rhee on projected

August 9, 1949: North Korean radio calls for revolt against the government of Syngman Rhee in South Korea. August 23, 1949: The Republic of Korea is formally ad-

mitted to membership in the World Health Organization as its sixty-fifth member.

September: The "Democratic People's Republic of Korea" fails to hold the all-Korea election called for in the manifesto issued on June 28, 1949, by the Communist-dominated Democratic Front for the attainment of unification of the fatherland. No explanation is given for the failure to carry out previously announced plans.

September 9-20, 1949: Extremely heavy guerrilla warfare commences across 38th parallel; heavy casualties are

reported on both sides.

September 22, 1949: Steamship Kimball Smith defects to Chinnampo, North Korea, with ECA employees, Willis

and Meschter, held captive by crew.

September 28, 1949: The United States Congress passes the Mutual Defense Assistance Act, which authorizes expenditure of \$27,000,000 for military aid to Iran, the Philippines, and the Republic of Korea.

October 2, 1949: The United States presents to the Soviet Foreign Office a note requesting that the U. S. S. R. assist in determining the location of the missing ship and

ECA officials and facilitate their return.

Two hundred and forty-nine guerrillas are executed on Cheju Island with approval of President Rhee as a result of riots earlier in the year. Those executed include 1 officer and 20 enlisted men of Ninth Regiment, formerly

stationed on Cheju.

October 6, 1949: "Democratic People's Republic of Ko-

rea" recognizes the People's Republic of China.

October 10, 1949: The President signed Public Law 343, the third deficiency bill appropriating \$30,000,000 for economic assistance to the Republic of Korea during the period July 1-October 15, 1949, and covering sums appropriated by Public Law 154 of June 30, 1949, which permitted spending on the basis of the annual budget estimate for 1 month ending July 30, 1949, and Public Law 196 approved August 1, 1949, permitting the continuation of spending on the same basis until August 16, 1949.

October 12, 1949: S. 2319 authorizing an appropriation of \$120,000,000 for economic assistance to the Republic of

Korea passed by the Senate.

October 14, 1949: The U. S. S. R. rejects the request made in the American note of October 2, stating that the matter is within the province of the "Democratic People's

Republic of Korea."

The Foreign Minister of the "Democratic People's Republic of Korea" sends a letter to the Secretary-General of the UN challenging the legality of UN activity in Korea and expressing determination to drive the UN Commission out of Korea.

North Korean forces begin a new offensive on the Ongjin Peninsula, and severe fighting continues for several

days.

October 22, 1949: The UN General Assembly decides to continue the UN Commission on Korea (UNCOK) and to charge it to investigate developments "which might lead to or otherwise involve military conflict in Korea.

The Economic Commission for Asia and the Far East (ECAFE) admits the Republic of Korea as an associate member and rejects the application of the "Democratic People's Republic of Korea.

October 25, 1949: The Home Minister of the Republic of Korea announces that "SKLP (South Korea Labor Party) Extermination Week" will begin on November 1; those who wish to repent and join the National Guidance Alliance (an organization for converted ex-Communists) are urged to do so before that date.

October 28, 1949: The President of the United States signs Public Law 430, second supplemental appropriation bill, appropriating another \$30,000,000 for economic aid to the Republic of Korea during the period October 15,

1949 to February 15, 1950.

October 29, 1949: The United States presents to the U.S.S.R. a second note concerning the Steamship Kimball Smith and the two American officials of the Economic Cooperation Administration held in northern Korea.

November 7, 1949: The "Democratic People's Republic of Korea" recognizes the (East) German Democratic Re-

November 14, 1949: The U.S.S.R., replying to the American note of October 29, agrees to inform the North Korean authorities, through the Soviet Ambassador in Pyongyang, of the United States request for information.

November 15, 1949: In a radio broadcast, the "Democratic People's Republic of Korea" acknowledges for the first time the presence of the two American officials in northern Korea and states that the authorities in the north are willing to turn them over to the American Government.

November 23, 1949: The Republic of Korea is admitted to membership in the UN Food and Agriculture Organiza-

November 24-25, 1949: Village people's committees are

elected in North Korea.

November 26, 1949: The new Secretary General of the UN Commission on Korea and other staff members arrive in Seoul.

December 3, 1949: Township people's committees are

elected in North Korea.

December 11, 1949: Meschter and Willis, the two American officials of the Economic Cooperation Administration held in North Korea since September 22, are turned over to a representative of the American Embassy at the 38th parallel.

December 14, 1949: Kim Il Sung, Premier of the "Demo-cratic People's Republic," and party leave North Korea for Moscow to participate in the celebration of Stalin's

seventieth birthday.

December 17, 1949: Republic of Korea approved pro-

gram discussed with them by MDAP Survey Team.

December 26, 1949: MDAP Survey Team arrives in Republic of Korea. Chung Paek, prominent and long-time Communist arrested in South Korea in late November on his return from North Korea, denounces the North Korean regime and pledges his allegiances to the Republic, lending prominence to the National Guidance Alliance and the South Korea "Voluntary Surrender Week."

January 12, 1950: Ambassador Philip Jessup speaks be-

fore the National Assembly of the Republic of Korea.

January 18, 1950: UN International Children's Emergency Fund (UNICEF) announces plans for a \$550,000 child welfare program in Korea; Dr. Clarence W. Mac-Charles, of Canada, is named director.

January 19, 1950: H. R. 5330 authorizing the appropriation of \$120,000,000 for economic assistance to the Republic of Korea defeated in the House of Representatives

by a vote of 192-191.

January 26, 1950: The military defense assistance program and Korea Military Advisory Group (KMAG) agreements are signed.

February 8, 1950: The UN Economic and Social Council (ECOSOC) at Lake Success endorses the Republic of Korea's application by membership in the United Nations Educational, Scientific and Cultural Organization (UNESCO).

February 9, 1950: S. 2319 authorizing the appropriation of \$120,000,000 for economic assistance to the Republic of Korea for fiscal year 1950 with an amendment extending aid to China passed by the House Representatives.

¹⁹ Reprinted from H. Rept. 2495, 81st Cong., 2d sess.,

February 10, 1950: S. 2319, as amended by the House, passed by the Senate; President Rhee hands foreign correspondents message of gratitude for passage of the aid bill.

February 14, 1950: President Rhee, accompanied by Foreign Minister, Director of Office of Public Information (OPI), Deputy Chief of Staff of Korean Army, and staff, departs for Tokyo for consultation.

staff, departs for Tokyo for consultation.

February 15, 1950: Korea requests spare parts and ammunition for 10 AT6 planes, and State Department allo-

cates money to Defense Department.

February 17, 1950: The World Health Organization grants the Republic of Korea \$750,000 for public health program for fiscal year 1950.

February 24, 1950: The Republic of Korea signs a contract with Japan for export of 100,000 metric tons of rice

to Japan at \$142 per ton.

February 27, 1950: President Truman transmits to the United States Congress requests for appropriation of \$60,000,000 for aid to the Republic of Korea for fiscal year 1950 and for the authorization of \$100,000,000 for economic

assistance for fiscal year 1951.

March 3, 1950: Headquarters of the Special Army-Police Joint Search Organ in South Korea announces arrest of 196-man "destruction party" led by Ch'oe Yung Ch'oo. The party allegedly was taking orders from the North Korean Vice Minister of Internal Security in order to stage a revolt in March.

March 4, 1950: The Secretary-General of the UN announces that, in compliance with a request from the UN Commission on Korea, eight observers are being sent to Korea to observe clashes along the 38th parallel.

March 15, 1950: Korean program submitted by Depart-

ment of Defense to Department of State.

March 20, 1950: KMAG agreement ratified by Korean legislature.

March 29, 1950: Korean military aid program approved by State Department.

March 30, 1950: The South Korea Assembly ratifies the Korea Military Advisory Group and military defense-assistance program agreement by a vote of 90 to 1.

March 31, 1950: The United States House of Representatives passes H. R. 7797, authorizing the appropriation of \$100,000,000 for aid to the Republic of Korea during fiscal year 1951.

April 3, 1950: Korean Ambassador in Washington (John M. Chang) is handed United States aide-mémoire regarding financial situation in Korea and ECA assistance.

April 4, 1950: United States Ambassador to Korea (John J. Muccio) hands United States aide-mémoire to President Rhee. Ambassador Muccio is subsequently recalled for consultation regarding financial situation in Korea.

April 11, 1950: South Koreans request armament and ammunition for PC boats (sec. 408 (e) MDA Act).

April 19, 1950: The Office of Public Information of the Republic of Korea announces that a general election for members of the National Assembly is to be held on May 30.

April 20, 1950: Air Force directed to supply machine guns, spare parts, and ammunition to South Korea under section 408 (e) of the MDA Act on patrol craft sailing from west coast in May 1950.

April 24, 1950: The Foreign Minister of the Republic of Korea invites the United Nations Commission on Korea to observe general elections in the Republic. Allocation made by Department of State to Defense Department of funds to carry out supply action by Air Force.

April 28, 1950: Fulbright agreement between United

States and Korea (ROK) is signed.

May 5, 1950: Senate passed S. 3304, authorizing the

appropriation of 100 million dollars for economic assistance to the Republic of Korea.

May 15, $195\hat{v}$: State Department authorizes additional Army and Coast Guard military assistance to South Korea.

May 18, 1950: House and Senate conferees agreed on H R 7797

May 23, 1950: H. R. 7797 as reported by conference passed by House. Allocation by State Department to Defense Department of funds to carry out supply action.
 May 25, 1950: H. R. 7797 as reported by conference

May 25, 1950: H. R. 7797 as reported by conference passed by Senate. Joint Chiefs of Staff directed to program the additional Army and Coast Guard items author-

ized May 15, 1950.

May 30, 1950: National Assembly elections are held in the Republic of Korea. About 90 percent of the electorate votes, and the established political parties, including both the supporters of and the opposition to President Rhee, retain only a small percentage of their Assembly membership; over 65 percent of the seats go to independents.

June 5, 1950: President approves Foreign Economic Assistance Act of 1950 (Public Law 535), including authorization of \$100,000,000 economic aid to Korea.

June 7, 1950: The North Korea regime proposes a general all-Korea election on August 5, a meeting of a Supreme Korean Assembly on August 15, and the holding of a preliminary Joint North-South Conference near the 38th parallel. The proposal specifically forbids the participation of members of the UN Commission on Korea, President Rhee, Lee Bum Suk, and other co-called national traitors.

June 19, 1950: The new National Assembly of the Republic of Korea convenes for its first meeting. The final turn-over in Assembly membership is approximately 85

percent

June 20, 1950: North Korea makes a second unification proposal, varying only slightly from original offer. This second proposal emanates from the North Korean Government directly rather than from the Democratic Front, the political instrument for unification propaganda.

June 25, 1950: The North Korea People's Army and border constabulary forces invade South Korea and launch amphibious landings, supported by air attacks on Seoul and other strategic locations. General MacArthur directed to send available MDAP equipment from stocks of the

Far Eastern Command.

June 25, 1950: The United States sponsors resolution before UN Security Council that armed attack on Republic of Korea by forces from North Korea constitutes breach of the peace and calling for immediate cessation of hostilities. Resolution passes 9 to 0.

June 27, 1950: Statement by President of United States announcing he has ordered air and sea forces to give troops

of Republic of Korea cover and support.

General MacArthur begins implementation of the President's order.

UN Security Council resolution adopted, calling upon members of UN to furnish such assistance to the Republic of Korea as may be necessary to repel armed attack. Adopted 7 to 1 (later changed to 8 to 1, when India on June 29 voted in favor).

June 30, 1950: Statement by President of United States that he has authorized General MacArthur to use certain supporting ground units, authorizing USAF to conduct missions on specific targets in northern Korea wherever militarily necessary, and ordering naval blockade of entire Korean coast.

As of this date, the following countries have announced they would assist in enforcing the UN Security Council's resolutions: The United Kingdom, Australia, New Zealand, China, and the Netherlands.

BENELUX-A CASE STUDY IN ECONOMIC UNION

by Howard J. Hilton, Jr.

Benelux is the abbreviation used to describe the union of the Netherlands, Belgium, and Luxembourg or, to be more precise, the union of two economies, that of the Netherlands and that of the economic union of Belgium-Luxembourg which was previously established as a tariff union in 1921. The first stage in creating the Benelux Union was the organization of a tariff union. The next stage, and the one through which Benelux is now passing, is that of restricted union or preunion. The final objective is complete economic union.

In days past, when currencies were freely convertible and based upon gold, the terms "customs union" and "economic union" were practically synonomous since the elimination of customs barriers between any two countries created an area within which the free play of economic forces produced an integrated economy. This situation, however, no longer exists. Although Belgium and Luxembourg, on the one hand, and the Netherlands, on the other, have had a virtual customs union since 1948, they do not expect to attain economic union before mid-1950 at the earliest. This fact does not imply that the fundamental requirements for an economic union have changed since such a union remains an area of free economic activity unhampered by political boundaries. It does mean, however, that the difficulties to be overcome in attaining economic union have increased. Among these difficulties may be mentioned the foreign-exchange controls and quantitative restrictions which have been imposed as a result of the so-called "dollar shortage."

Different economic philosophies manifest in the two economies following the termination of hostilities complicate the solution of these technical problems; nevertheless, the three countries are strenuously engaged in reconciling differences and in solving the problems involved in economic union.

The lesson of Benelux—as the outstanding contemporary experiment in deliberate economic union—reveals the difficulties involved in such a project as well as in charting the paths for overcoming these obstacles. Fortunately, the statesmen of these three countries, realizing the importance of their experience, are interested in making it available to others. They have, for example, been the host to the European Customs Union Study Group and have provided much material for that organization.¹

CONCEPTION OF BENELUX

Benelux was conceived during the war when the three Governments-in-exile decided that, following liberation, the three countries would form a customs union as the first step toward complete economic union. On September 5, 1944, the three countries signed a customs convention by which they agreed to establish a common tariff. This convention, however, established the framework for only a customs community. It did not provide for the elimination of excise duties and other

¹ They have also prepared English translations of basic documents, e. g., Report on the Conference of Cabinet Ministers of the Netherlands, Belgium and Luxembourg, held at The Hague on March 10th to 13th, 1949. Much of the documentation on Benelux which was made available to the Select Committee on Foreign Aid was incorporated in the valuable report on Benelux to be found in the Final Report on Foreign Aid (H. Rept. 1845, 80th Cong. 2d sess., pp. 181–189). The material for this article has been drawn largely from these two sources.

taxes upon goods originating in partner countries, and the additional steps required to achieve a complete customs union or for the mutual adjustment of such duties and taxes and the coordination of policies are necessary for the formation of an economic union.

In the midst of the world economic crisis of 1932, at the Ouchy convention, the three countries endeavored to establish a preferential system by agreeing to a 10 percent reduction in duties levied on goods exchanged among themselves. Further annual reductions of 10 percent were to follow this initial reduction. This arrangement was never implemented primarily because the United Kingdom and the United States contended that it violated most-favored-nation agreements.

Although the complementary nature of the two economies facilitates the achievement of economic union, the problems are numerous and complicated.

Belgium is a heavily industralized country with a large steel industry, whereas the Netherlands draws primarily on Belgium and Luxembourg for her steel requirements. In agriculture, the two economies are in about the same situation with respect to cereals, but the Netherlands produces surpluses of vegetables and dairy products which, prior to the war, she exported primarily to the German market.

In order to make the union a reality, free movement of goods, capital, and persons will be necessary and will require, in addition to many other essential conditions, general comparability of price, tax, and wage structures. Many technical difficulties beset such an arrangement: Belgium and Luxembourg, for example, have not yet succeeded in equalizing their sales and excise taxes after 18 years of economic union.

Following liberation, the three countries encountered great difficulties in making even the customs community a reality. The Netherlands suffiered months of famine and destruction under German occupation; Belgium, having been liberated with a minimum of destruction, was serving as a base for Allied operations. The payments received from the Allies enabled Belgium to recover more quickly with a minimum of economic controls. The Netherlands, on the other hand, suffered destruction not only of physical plants, roads, harbors, and housing, but also of the network of financial and commercial relationships.

In planning the economic recovery of the country, the Netherlands Government instituted an elaborate set of controls covering both production and consumption as well as strict controls over foreign trade. She established the level of living by controlling wages, prices, rationing, and by subsidizing certain products.

Because of these differences and the preoccupation of each country with the problems of recovery, the customs convention was not implemented immediately upon liberation; however, the Conference of Cabinet Ministers, which met at The Hague in April 1946, took steps to enforce and to strengthen the customs convention of September 5, 1944. Since that date, the three countries have made steady progress in reconciling the different views, in meeting the many problems associated with integrating these divergent national economies into an economic union, and in developing the necessary organizations to handle joint problems.

Despite the efforts to realize the tariff union in 1946, the common tariff did not enter into force before January 1, 1948. The period of preunion was scheduled to begin on July 1, 1949, with the achievement of the economic union proper by July 1, 1950. In the protocol of October 1949, the contracting parties agreed that the full economic union would be established on July 1, 1950, and would be developed in the light of the experience gained during the preunion period. Although the developments following devaluation have favored the formation of complete economic union, some delays have been incurred which have postponed the date for the implementation of economic union. Even when the proclamation of full economic union is made, certain limitations may possibly have to be maintained for goods and payments.

It is, of course, recognized that the continual existence of such limitations would not be consonant with the criteria for the attainment of the economic union. As defined by the report of the Cabinet Ministers:

An economic union of two or more sovereign States covers a definite economic territory:

- a. wherein persons, goods and capital can move freely;
 b. wherein the establishment and application of the economic, financial and social policies are coordinated;
- c. which acts in its relations to third countries as a single economic, financial and social entity, except in matters of purely national interest, which cannot have repercussions on the partner countries.

ORGANIZATION FOR ECONOMIC UNION

To fulfill the requirements of this definition of economic union requires a great measure of agreement and an organization for the coordination of policies. In addition, there is always the necessity for good faith and understanding and consideration of problems from the point of view of union interest rather than national interest. The three countries, in appreciation of this factor, have decided to refer difficult problems, which might endanger good economic relations between the three countries, to the Board of Presidents of the Customs Convention Councils. The Conference of Cabinet Ministers noted that "the fact that this body can approach these problems from a Union, rather than from a national viewpoint, makes it reasonable to expect a satisfactory solution in many cases."

In addition to the conferences of the Ministers, which have been held on the average of twice a year, the administration of Benelux required the establishment of a Council for Economic Union, an Administrative Council on Customs Duties, which is assisted by a Commission for Customs Disputes, a Commercial Agreement Council, and a General Secretariat.

The conferences of Cabinet Ministers are held to settle the major problems encountered in realizing economic union and to plan the further steps to be taken. At the Conference held in March 1949, the Cabinet Ministers organized six ministerial committees to study the problems raised and discussed in the report from the President of the Council. The range of problems presented to the Cabinet Ministers is indicated by the scope of these six committees which investigated problems relating to (1) the return to free consumption and the reduction of subsidies, (2) the coordination of investment programs, (3) fiscal policy, (4) social policy, (5) monetary and commercial policy, and (6) agricultural policy. At the meeting held in October 1949, the Ministers approved resolutions concerning waterways and seaport problems and parliamentary contacts, in addition to further resolutions on some of the above problems.

The Council for Economic Union consists of three delegates of the Netherlands and three delegates of the Economic Union of Belgium and Luxembourg (hereinafter referred to as Bleu). It transmits its views to competent authorities in the Netherlands and Bleu concerning the

measures which they might intend to take for the purpose of regulating imports, exports, and transit by imposing restrictions of an economic character, such as licenses, quotas, or special license fees and administrative charges. For the purpose of establishing the common regime, it also coordinates such of these measures as may be introduced and administers joint import, export, and transit quotas. The Council for Economic Union may also inform the competent authorities of its views concerning all measures relating to bounties or subsidies which the contracting parties intend to adopt.

The Administrative Council on Customs Duties also consists of three delegates from the Netherlands and three from Blev. It proposes measures designed to unify the legislative provisions and regulations governing the collection of import and excise duties. A Commission on Customs Disputes assists this Council.

The Commission on Customs Disputes, at the request of the competent Ministers, makes binding decisions in the cases of disputes arising from the application of the legal provisions and regulations resulting from the agreement. It communicates its decisions to the competent Ministers who are responsible for implementing them.

The Commercial Agreements Council, which, likewise, consists of three representatives of each party, has the function of insuring the coordination of measures in respect of relationships established with third countries. This is the body with primary responsibility for meeting the requirement that the economic union speak with one voice. In the tariff negotiations under the General Agreement on Tariffs and Trade, the Benelux delegation was divided into a series of working groups headed alternately by a representative of the Netherlands and by a representative of BLEU.

The General Secretariat handles the work for the intraunion bodies and makes the necessary preparations for the conferences of the Cabinet Ministers.

PROBLEMS OF ECONOMIC UNION

Balance of Payments

As indicated above, economic union requires the free movement of goods, persons, and capital, and

the coordination of certain types of internal legislation and of relations with third countries. One of the basic considerations in achieving economic union is the maintenance of an equilibrium in the payments among the parties of the union. Without this equilibrium, the members of the economic union would find it difficult, if not impossible, to permit the uncontrolled movement of goods and capital. Chronic deficits in the payments position also affect the movement of people and the possibility of coordinating internal taxes. One of the primary objectives in forming an economic union, in the view of the Benelux experts, must, therefore, be the attainment of an equilibrium in the payments position of the parties. equilibrium naturally involves the relation between the union and third countries, for the favorable balance of trade with other countries by one member may be used to finance its deficit with the other member. The payments problem in Benelux, which arises from the apparently intractable bilateral balance-of-payments disequilibrium between the Netherlands on the one side and BLEU on the other, has proved the major obstacle to attaining complete economic union.

The Netherlands deficit in its trade with BLEU is not merely the result of the war, but postwar developments and the program for economic union have magnified the proportions of the problem. Prior to the war, the Netherlands imported from Bleu around 50 percent more than she exported. Transfers of gold or balances in other currencies covered the balance. In the postwar period, the deficit has been somewhat higher, the Netherlands importing around 60-70 percent more than her exports to BLEU. The settlement of this balance in the postwar period has proved to be a real problem. Although the Netherlands has some sterling balances, she has no surplus gold or dollar balances over her own direct requirements to settle the deficit, and BLEU is unwilling to take large sterling balances beyond its own needs unless these balances are convertible into dollars. The Economist describes this manifestation of divergent economic interest as the dollar line that runs through the heart of the potential union. To one side, lies Holland, recently closely associated with the sterling area; and, on the other, are Belgium and Luxembourg, for all economic intents and purposes part of the dollar world.

The solution to the payments problem may require a fundamental economic adjustment by the

parties in the union. During the transitional stage, or preunion, as it is termed, restrictions are to be maintained to control the volume of trade and capital movements, while an effort is being made to remove the causes of imbalance. The parties of Benelux agreed that, during this stage, certain conditions must be fulfilled. The three countries must return to a system of free consumption and the realization and maintenance of internal monetary equilibrium. Dutch exports would have to be increased in order to provide sufficient currency for additional imports from BLEU. Although the Union can be realized, without unifying the currencies of the central banks of partner countries, by continuing the present technical procedure of exchanging guilders and Belgian francs through their respective central banks, the countries agreed that, as an essential condition of such an arrangement, one partner cannot be permitted to accumulate the currency of another.

In order that the Netherlands might make the necessary changes in her policy to permit the fulfillment of these conditions for preunion, the BLEU agreed to grant credits to the Netherlands on the understanding that the amounts of these credits would be automatically adjusted to the extent of the trade liberalization measures taken by the Netherlands in agreement with the Governments of Belgium-Luxembourg. In determining the degree of priority to be assigned to the various categories of decontrolled goods, special attention was to be paid, on the one hand, to products involved in the employment policy pursued by the BLEU and, on the other hand, to the conditions essential to the abolition of rationing and restrictions on the Netherlands market. By April 1, 1950, approximately 98 percent of the national trade between the members was not subject to quantitative restrictions.

ECA aid has played an important role in financing the Netherlands deficit with BLEU. With this conditional aid, BLEU has been able to grant the Netherlands drawing rights and credits up to 139 million dollars for the year ending June 30, 1950.

Coordination of Relations With Third Countries

During the period of preunion and continuing through the period of complete union, the commercial and monetary policies of the members toward third countries are to be coordinated. New

trade and payments agreements are to be concluded only after prior consultation between partners. Once these common agreements have been prepared, negotiated, and put into effect, the resulting receipts and expenditures are to be worked out according to an automatic procedure. This procedure could be established either by instituting a common foreign-currency fund or by maintaining separate foreign-currency funds. In both cases, however, the Benelux experts feel that the effort should be concentrated on working out a common trade and payments policy particularly with reference to the dollar area. The bilateral balance could be covered by foreign currency supplied by the debtor country; but, in any case, a safety clause should be provided to enable timely discovery and redress of any fundamental deviations which might develop in the balance-of-payments positions.

The initial step to achieve this coordination was taken with the organization of the Commercial Agreements Council. In customs and tariff negotiations, for example, those under the General Agreements on Tariffs and Trade, Belgium, the Netherlands, and Luxembourg speak as one voice—that of the Benelux delegation. In other international conferences, they generally adopt a common attitude.

Free Movement of Goods

The first condition of a tariff union or customs union is the establishment of a common tariff and the elimination of duties on products exchanged between members of the union. Benelux achieved this condition with the introduction of the common tariff on January 1, 1948. Quantitative restrictions imposed to protect the balance-of-payments position of the members and to assure the fulfillment of various trade and payments agreements still rigidly controlled trade among the members of Benelux. The external features of these restrictions are gradually being coordinated, and those applicable to other members are to be eliminated.

As a first step in the elimination of such restrictions, the members are replacing the system of licenses by that of the "declaration in lieu of license" which will permit free importation while maintaining the possibility of checking imports a posteriori. Since quotas have become a device for protecting domestic industries in the absence of tariffs, the removal of such restrictions affects

special interests previously protected and forces the rationalization of production. The Governments will have to ignore the pleas of special interests or formulate other solutions than protection for their problems in the interest of attaining the objective and advantages of complete economic union.

The removal of controls, the elimination of subsidies, the adjustment of price structures, the coordination of sales and excise taxes, the adoption of similar consumer credit policies, and the mutual adjustment of port and transit charges are all steps which, to a greater or lesser degree, affect the free movement of goods. Once they are taken, the removal of quantitative restrictions and the rationalization of production are facilitated.

The three Governments agreed in March 1949 to remove controls over the distribution of consumer goods and over the allocation of raw materials. The removal of all such controls is partly dependent upon international factors such as the international allocation of raw materials and the availability of foreign currency and foreign loans for the purchase of such goods. They also agreed to abolish all rationing of consumer goods by the end of 1949. For imports of certain products from third countries, primarily those financed by dollar payments, the three Governments recognized the possible necessity of maintaining, as a temporary measure, regulations on the rationing and allocation of such products. In these cases, the decision is to be made by mutual agreement, and joint action is to be taken to formulate and implement the decision.

The removal or adjustment of subsidies is important not only for the free movement of goods but also for the free movement of capital. The subsidies policy pursued in the Benelux countries is not a natural historical phenomenon but is a combination of temporary prewar and postwar measures, which may be altered as conditions improve. One exception to these measures is the Netherlands "monopoly system" of agricultural subsidies which is an element of the Netherlands agricultural policy for influencing price levels and producers' income. In cases of import subsidies for maintaining domestic prices, agreements can be reached governing the amount of the subsidies to be paid until foreign prices and domestic prices become adjusted. At the present time, the Netherlands subsidizes the difference between the import price and the domestic price of bread grains,

meats, vegetables, and oils. Belgium, on the other hand, subsidizes the importation of flour products as a means of maintaining the price of bread. Subsidies on production provide a more difficult problem. As a general principle, the objective in Benelux is the complete elimination of such subsidies with the exception of those which, by mutual agreement, are deemed to be required by the particular structure of the economy.

As a general principle for achieving economic union, all controls on prices should be removed and normal economic forces should establish price levels. The member Governments of Benelux have accepted this principle but with the recognition of the right of the Governments, after consultation and by mutual agreement, to issue price regulations for all cases where world economic developments or disturbances in certain sectors of the economy make such action desirable. In addition, when marked structural differences cause an appreciable divergence in the price of essential products in the three countries, the Governments may take special measures to alleviate the possible consequences of these differences.

Although economic union does not necessarily require the unification of the fiscal system and the equalization of taxes, the three Governments of Benelux have agreed that unification of different systems of taxation should be as thorough as possible, particularly for direct taxes on goods such as import duties, excise duties, purchase taxes, turnover taxes, and taxes for motor vehicles. They have made much progress in this direction. A protocol of December 22, 1947, unified the excise duties on fruit wines and sparkling fermented beverages. Another agreement was concluded on December 16, 1948, providing for unification of additional excise charges and the elimination of others. The Customs Administrative Council of Benelux has proposed further steps in this direction. The common system based on these proposals will result in an increase in fiscal revenues for the Netherlands as against a marked decrease in Belgium and Luxembourg.

The mutual adjustment of port and transit charges is recognized as an important element in the effective organization and operation of economic union. The Governments of Benelux have, therefore, appointed a special committee to undertake the study of the technical, economic, and financial aspects of the problems concerning seaports and waterways.

Free Movement of Capital

As in the case of free movement of goods, the free movement of capital requires the fulfillment of a number of conditions. The payments position of the member countries, which, as previously mentioned, is a basic factor in all aspects of economic union, should be balanced without the necessity of unusual settlements in gold or large governmental loans. Continuing capital movements may, of course, be utilized to offset temporary deficits in the exchange of commodities and to restore basic equilibrium in the trade pattern of the member countries. If a substantial proportion of the capital transferred is utilized for capital investments designed to increase the production of products which can compete in third countries and which are needed in other parts of the union, then, such capital movements would have the effect of correcting disequilibrium in the balance of payments. In an area as small as that covered by Benelux, coordination of large-scale capital investments may serve a useful function in promoting the type of investment best designed to insure the viability of the union. Production subsidies, which arbitrarily alter the competitive position of industries, are to be abolished or adjusted by mutual agreement. The experts agree that corporation taxes and other charges influencing the movement of capital must be recognized and, where necessary, adjusted by mutual agree-

The members of Benelux accept the convertibility of the currencies within the union. They recognize that special attention will have to be given to the conditions which determine the mutual convertibility of both currencies, the Dutch guilder and the Belgian franc. They are to adopt measures to recognize and to remedy any disturbances of the monetary equilibrium once it is established. Such measures are to be concentrated in the field of commercial policy. As as basis for convertibility, they recognize that arrangements will have to be developed during the preunion stage to insure unity of action in currency policy to be pursued in relation to third countries. Such arrangements are compatible with the maintenance of separate internal monetary regimes and with the autonomy of the central banks. Payments to third countries could be made either through the central banks acting jointly or from a common currency fund. Without such unity of action, convertibility would operate to the disadvantage of one or the other of the members.

The aim of the program for the coordination of investment is to insure the highest and most balanced level of employment possible in the three countries. Consideration is to be given to the demographic development in order that productive capacity will increase in those areas in which industrial workers increase from year to year. Investments naturally should be made in regions where cost price is lowest for products of equal quality excluding all artificial considerations. The members of Benelux have agreed that investment policy, which is to follow the principles adopted by OEEC, should give due consideration to marketing possibilities for new products and the importance of the proposed investments to the balance-of-payments position. Under the Benelux program, coordination will be limited to those investments which, on the basis of quality or quantity, are of primary importance for the economic activities of the three countries. Equal attention is to be given to investments in industry and agriculture. Investments in important public works are to be coordinated since such investments influence the level of employment. The Benelux Governments believe that the coordination of private investments can be facilitated by encouraging reciprocal understanding and cooperation between industrial leaders; however, participating governments in the OEEC and in the ECA bilateral agreements have undertaken commitments to act against private restrictive arrangements which interfere with the achievement of European recovery. Because of the importance of pure scientific and applied scientific research to the development of industry, the three Governments have agreed to further such research by mutual consultation and cooperation.

Subsidies, by altering the competitive ability of various industries within the union, can arbitrarily influence the flow of capital. The Governments therefore will have to eliminate or mutually adjust the payment of particular subsidies to meet the needs of the union as a whole. Since tax and credit policies are also important factors in directing capital movements, arrangements are to be developed to insure general comparability of policies in these fields.

The Movement of Persons

In the formation of an economic union among countries, in which barriers of various types previously inhibited transfers of population, a number of factors may influence the movement of persons within the union. The basic factors determining the ultimate movement of people within the union are the relative distribution of economic resources and, thus, the productivity of workers in various parts of the union, the demographic pattern, and the mores and customs of the people. To alter these conditions is difficult. Wage structures and social policies, which also influence the movement of persons, are, therefore, the primary factors to be adjusted.

At the present time, disparities exist in the structure of wages in the three countries. The level of wages in Belgium appears to be about 20 percent higher than that in the Netherlands, and for Luxembourg the difference is about 40 percent. Although these differences need not be eliminated, they should be reduced to the degree of difference that might be expected to exist in different regions of the same country. The difference in wages may be expected to decrease as a result of the coordination of the economic policy of the member countries.

In order to coordinate the wage structure, the Ministers asked the Council of the Economic Union to study the question of wages. This study involves the collection of comparative data in the three countries on wages paid to adult men and women and to juveniles. The job classification of workers in the three countries also has to be examined. With this basic information, certain conclusions could be reached regarding the purchasing power of wages and its probable trend under the impact of economic union. Light would also be shed on the factors influencing the migration of industries especially those of an economic nature arising from geographical differences or from excessive wage differentials. In certain cases, such differentials might hamper the development of favorable economic relations among the members. The Ministers have also suggested that a study be made for those sectors of production where great differences in wages exist and where marked competition may be expected either from within the union or from foreign countries.

In the field of social security, the first step has been the conclusion of agreements providing for reciprocity in covering workers in the countries parties to the agreements. The members of Benelux hope to extend these arrangements to include the other members of the Brussels pact, i.e. France and the United Kingdom. As a long-range objective, the Ministers have asked the Council of the Economic Union to investigate a comprehensive equalization of social security charges on the assumption that such equalization is to be preferred to leveling the charges in individual sectors.

The broader problems in this field have been assigned to the Council of the Economic Union for investigation. These relate to the relationship of unemployment and wages in the three countries, the demographic problems from the social point of view, movement of labor within Benelux, and the preparation of a draft multilateral reciprocity agreement on social security including the countries of Benelux and the other members of the Brussels pact.

Consideration is also to be given to the position of the farmer. The agricultural policy of the three countries is designated to insure security in well-

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Tensions Between the United States and the Soviet Union. General Foreign Policy Series 22. Pub. 3810. 16 pp. [BULLETIN Reprint] Free.

Address by Secretary Acheson made at the University of California on March 16, 1950, discussing the Soviet philosophy and motives, etc. and our policy toward them.

The International Trade and Traffic in Arms—Its Supervision and Control. General Foreign Policy Series 23. Pub. 3822. 26 pp. [BULLETIN Reprint] Free.

Leonard H. Pomeroy outlines the past and present measures to supervise and control the traffic in arms. The participation of American citizens and American arms in the Far East clandestine arms traffic is considered with respect to its implications for U.S. arms policy and administrative policy.

Aspects of International Petroleum Policy. Commercial Policy Series 127. Pub. 3845. 6 pp. [Bulletin Reprint] Free.

Substance of statement by Willard L. Thorp, Assistant Secretary for Economic Affairs, made before the special subcommittee on petroleum of the House Committee on Interstate and Foreign Commerce on April 5, 1950. managed enterprises for farmers and agricultural laborers.

CONCLUSION

Much painful labor between the conception of economic union and its birth appears evident from this discussion of the developments and problems involved in the organization of the Benelux union. Although the problems would differ in detail for countries other than Belgium, the Netherlands, and Luxembourg, the consummation of economic union by any other countries would require solutions to the same broad problems. The important conclusion which can be drawn is that the problems can be solved. Given good intentions, good will, good faith, and a desire to promote the common good at the price of some sacrifice, economic union, with all of its economic and political advantages, can be born.

The ITO Charter: A Code of Fair Trade Practices. Commercial Policy Series 128. Pub. 3847. 14 pp. [BULLETIN Reprint] Free.

Statement by Secretary Acheson on origin, purpose, general significance, etc., of the Charter. Made before the House Committee on Foreign Affairs on April 19. 1950.

The Quality of American Patriotism. General Foreign Policy Series 27. Pub. 3848. 8 pp. [Bulletin Reprint] Free.

Remarks made by Secretary Acheson, made on the occasion of the 200th anniversary of the Holy Trinity Parish at Middletown, Conn., on April 17, 1950.

Strengthening the Forces of Freedom. General Foreign Policy Series 28. Pub. 3852. 192 pp. 50¢.

Selected speeches and statements of Secretary Acheson, giving a survey of U. S. foreign policy and discussion of the United Nations, the Ito charter, the North Atlantic Treaty, the Military Assistance Program, etc. as instruments of that policy.

National Commission UNESCO News, June 1950. Pub. 3858. 12 pp. 10ϕ a copy; \$1.00 per year, domestic; \$1.35 per year, foreign.

Prepared monthly for the United Nations Educational, Scientific and Cultural Organization.

Threats to Democracy and Its Way of Life. General Foreign Policy Series 29. Pub. 3859. 14 pp. [BULLETIN Reprint] Free.

Address by Secretary Acheson before the American Society of Newspaper Editors, Washington D.C., April 22, 1950.

The Problem of International Organization Among Countries of Europe and the North Atlantic Area. International Organization and Conference Series II, European and British Commonwealth, 2. Pub. 3861. 8 pp. [Bulletin Reprint] Free.

Address by Secretary Acheson made before the Society of Pilgrims, London, May 10, 1950.

Settlement of Bizonal Fusion Agreement

[Released to the press July 7]

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The Department of State announced today that through an exchange of notes with the British Embassy an agreement has been reached on the settlement of outstanding financial issues under the bizonal fusion agreement.

The British note quotes the full text of the United States note and the agreement to conclude these financial matters became effective upon receipt of the British note on June 28, 1950.

The original bizonal fusion agreement was signed by former Secretary Byrnes and Mr. Bevin on December 2, 1946; it became effective on January 1, 1947. The agreement was revised on December 17, 1947, and was later extended on December 31, 1948, March 31, 1949, and June 30, 1949. On September 15, 1949, when the Federal Republic of Germany was established, the arrangements between the United States and the United Kingdom for bizonal fusion were superseded by trizonal fusion. The trizonal fusion arrangements are set forth in the Washington agreements of April 8, 1949, and the Charter of the Allied High Commission of June 20, 1949. There remained outstanding, however, certain financial issues which required settlement by the United States and the United Kingdom in order to wind up the bizonal fusion arrangements. These issues are settled in the attached document, which deals with the following topics:

(1) Unused portion of British contribution—the British have undertaken, in the fusion agreement as amended and extended, to make available certain goods and services under certain conditions. The British contribution had not been fully utilized when the bizonal fusion agreement came to a close on September 15, 1949. Paragraph 1 of the attached agreement disposes of the problem of the unused portion of the contribution through a lump sum settlement of 2,450,000 pounds sterling which the United Kingdom will make to Germany through the Joint Export-Import Agency.

(2) Paragraph 2 of the agreement deals with the Joint Export-Import Agency which was originally established under the fusion agreement as an Allied agency for the handling of Germany's foreign trade. The functions of this agency have now been turned over to the German Government. The present agreement provides for the speedy final liquidation of the agency and for the turning over of its assets to the German Government, subject to appropriate provision for settlement of claims outstanding against it.

(3) Paragraph 3 of the agreement deals with the so-called No. 2 Account maintained by the Bank of England on behalf of the Joint Export-Import Agency. The No. 2 Account was derived from funds originally made available to the Joint Export-Import Agency by the United Kingdom as a capital contribution. The final liquidation of the Joint Export-Import Agency permits the closing of this account under conditions provided for in this paragraph and under paragraph 6 of the agreement.

(4) The fourth and fifth paragraphs deal with the possibility that special measures might be needed to cover a German sterling deficit. Under the terms of the Washington agreements of April 8, 1949, it was understood that further contributions by the United Kingdom to Germany would be in the framework of a multilateral payments plan. The present provision states that, in the event that such a plan should not be in existence and Germany should require sterling in order to cover its current essential needs, the United Kingdom would consult with the United States in regard to this problem if the United States were at the same time making aid available to Germany.

(5) The sixth paragraph provides for the winding up of arrangements laid down in paragraph 4 of the agreement of December 17, 1947, for converting into dollars in certain circumstances part of the sterling balance of the JEIA number 2 account.

(6) The final paragraph of the agreement reaffirms the intention of the two Governments to treat contributions made to Germany prior to and under the fusion agreement as a claim against Germany to be repaid under terms consistent with the reconstruction of the German economy along healthy nonaggressive lines.

At the present time, the United States is making economic aid available to Germany through the ECA out of funds in part appropriated to ECA and in part originally appropriated to the Department of the Army. Funds for the support of Germany are included in the appropriation request submitted by ECA for fiscal year 1951. The Army is no longer requesting funds for economic support of Germany. In addition to the aid made available to Germany through contributions under the bizonal fusion agreement, the United Kingdom has extended drawing rights to Germany under intra-European Payments Agreement.

Following is the text of the British note of June

28, 1950:

I have the honour to acknowledge receipt of your note of today's date, the terms of which are as follows:

"I have the honor to refer to the discussions which have taken place between the Government of the United Kingdom and the Government of the United States on the subject of financial issues arising from the Bizonal Fusion Agreement of December 2, 1946, as amended by the Agreement of December 17, 1947, and its extensions agreed on December 31, 1948, March 31, 1949 and June 30, 1949, and the financial issues arising from the Trizonal Fusion which has been accomplished under the Charter of the Allied High Commission for Germany.

"In the interest of settling these outstanding issues, I have the honor to submit the following proposals for the consideration of the Government of the United Kingdom.

"1. The Government of the United Kingdom will make available sterling funds to the Government of the German Federal Republic, by payment to the Joint Export-Import Agency, in final discharge of its obligations under paragraph 1 of the Revised Fusion Agreement of December 17, 1947, as subsequently amended and extended. It is the understanding of the Government of the United States that the Government of the United Kingdom proposes to make available pounds sterling 1,305,000 under paragraph 1 (a) (ii) and pounds sterling 1,150,000 under paragraph 1 (a) (iii) of the Agreement.

"2. In order to implement the provisions of the Charter of the Allied High Commission and of the Bizonal Fusion Agreement of June 30, 1949, the Government of the United States proposes that the two Governments instruct their respective High Commissioners to work out with the French High Commissioner suitable arrangements to come into effect as promptly as possible for the liquidation of the Joint Export-Import Agency, the transfer to the Federal Government of its assets, and the assumption by the Federal Government of the liability to meet any of the remaining claims on the Joint Export-Import Agency which are approved under procedures established by the

Allied High Commission.

"3. Sterling balances to the credit of the No. 2 Account of the Bank Deutscher Laender with the Bank of England will be transferred to the No. 1 Account on June 30, 1950. While these funds will be regarded as existing resources for the purposes of the European Payments Union, they will be segregated in a special sub-account or by other means and will not be merged with other funds of the No. 1 Account pending the determination of the rights of the parties to the European Payments Union with respect to sterling balances. It is agreed that the United Kingdom Government will not claim that the funds from the No. 2 Account so transferred should be taken into account in the determination of drawing rights for the purposes of the Intra-European Payments Agreement of 1949–50.

"4. The Government of the United Kingdom will undertake to consult with the Government of the United States in regard to the provision of sterling to meet the current essential needs of the Federal Republic, in the event that the Federal Republic should be faced with a deficit in its sterling availabilities of such a character as to endanger the achievement of the objectives of the occupation, and there is no Intra-European Payments Agreement or other similar multilateral payments agreement in force, provided that the United States is concurrently making economic aid available to the Federal Republic.

"5. The provisions of the preceding paragraph do not relate to expenditures which may be incurred for the maintenance of forces of occupation and control staff

for Germany.

"6. As part of the proposals outlined herein the Government of the United States will agree to release the Government of the United Kingdom from its obligation for conversion of sterling in the No. 2 Account into dollars under the terms of paragraph 4 of the Revised Fusion Agreement of December 17, 1947.

"7. The understandings between the two Governments contained in paragraph 6 (e) of the Bizonal Fusion Agreement of December 2, 1946 with respect to the recovery of the costs incurred by the two Governments prior and

pursuant to the Agreement remain in force.

"Should these proposals commend themselves to the Government of the United Kingdom, I have the honor to suggest that this note and your reply should constitute an Agreement between our two Governments, which shall come into force upon the date of your reply."

In reply, I have the honour to inform you that His Majesty's Government in the United Kingdom accept the proposals set forth in your note and, in accordance with the suggestion contained therein, your note and this reply shall be regarded as constituting an Agreement between our two Governments in this matter, to be in force from the date of this reply.

I avail myself of this opportunity to renew to you the

assurance of my highest consideration.

Abuse of Human Rights in Satellite States

Statement by Secretary Acheson

[Released to the press July 21]

I would like to comment on the present status of the efforts which are being made with respect to the abuse of human rights and freedoms in

Bulgaria, Hungary, and Rumania.

Over a year ago, the United States, together with the United Kingdom and certain British Commonwealth countries, charged the Governments of Bulgaria, Hungary, and Rumania with flagrant violation of their obligations under the treaties of peace to secure to all persons under their jurisdictions the enjoyment of human rights and fundamental freedoms. The accused Governments, in rejecting the charges, refused to comply with provisions of the peace treaties for the resolution of the consequent disputes concerning the interpretation and execution of the treaties.

Nevertheless, in the interests of human liberty,

justice, and the integrity of international law, the United States and other interested Allied Powers have pressed the issue, step by step, according to the applicable procedures of the peace treaties. When this process reached a point at which the Secretary-General of the United Nations might have been requested to participate in the action, the United Nations General Assembly asked the International Court of Justice for guidance on several procedural questions which arose because of the refusal of the accused Governments to cooperate in the proceedings. Early this year, the Court ruled that treaty disputes exist and that Bulgaria, Hungary, and Rumania are obligated to comply with the treaty provisions for the resolution of such disputes.

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The accused Governments denied the competence of the International Court and persisted in refusing to participate in the disputes proceedings. The Court was then asked whether, under the treaties, commissions could be formed to settle the disputes without the cooperation of Bulgaria, Hungary, and Rumania. It is now reported that the Court has ruled, in effect, that the treaties do

not provide for such a contingency.

The United States will naturally respect the opinions of the International Court of Justice. Consequently, although it has been determined that disputes exist and that the three Governments in question are legally bound to cooperate in the settlement of such disputes, their wrongful refusal to do so obstructs resort, in this instance, to the disputes procedures provided by the treaties of peace and renders it necessary, in the light of the Court's decision, to pursue the issue by other means.

I want to emphasize that this by no means puts an end to our efforts in defense of human rights and freedoms in Bulgaria, Hungary, and The United Nations General Assembly has shown a deep and continuing concern with this problem. In its sessions during 1949, the Assembly took account of the existing proceedings under the treaties of peace. Now, that establishment of the proposed treaty commissions has been blocked by willful default on the part of the accused Governments, the Assembly will undoubtedly wish to consider what further steps it should take with respect to the charges that the Governments of Bulgaria, Hungary, and Rumania have been suppressing systematically the fundamental freedoms of their people.

It is the intent of this Government to bring to light and place before the conscience of mankind the facts relating to the denial of human rights by the accused Governments. These Governments, which have considered themselves free to disregard treaty obligations and the peaceful machinery for the settlement of disputes, should be made to feel the full weight of the condemnation of all free peoples which their actions

provoke.

U.S. and U.K. Establish Proving Ground for Guided Missiles

[Released to the press July 21]

The Secretary of State and the British Ambassador have today signed an agreement for the establishment and operation of a long-range proving ground for guided missiles in the Bahama Islands.

The base and launching facilities for the proving ground are located on the east coast of Florida in the vicinity of Cape Canaveral, and the flight testing range will extend to the southeast

over the Atlantic Ocean.

The agreement signed today will permit the United States, jointly with the United Kingdom, to establish and operate technical and supporting facilities at selected sites in the Bahama Islands, which are necessary for acquiring test data and maintaining continuous control of the guided missiles throughout their flight.

The agreement will continue in force for a period of 25 years and authorizes the United States, jointly with the United Kingdom, to launch, fly, and land guided missiles in the resignated range area and to operate such vessels and aircraft in the area as may be necessary for purposes connected directly with the operation of the range.

The missiles to be flight tested will be unarmed and will carry instruments for measuring missile performance, for control of the missile, and for destruction of the missile in flight if necessary for reasons of safety. Radar and visual surveillance will be maintained along the range to determine the presence and location of any air or surface craft in the area.

Executive Order on U.S. High Commissioner for Germany Amended ¹

By virtue of the authority vested in me by the Constitution and the statutes, and as President of the United States and Commander in Chief of the Armed Forces of the United States, Executive Order No. 10062 of June 6, 1949, entitled "Establishing the Position of United States High Commissioner for Germany,2" is hereby amended as follows:

1. The following paragraphs are added to the said order at the end thereof:

"5. The High Commissioner, as representative of the United States, shall share the four-power responsibility for the custody, care, and execution of sentences and disposition (including pardon, clemency, parole, or release) of war criminals con-

¹ Ex. O. 10144; 15 Fed. Reg. 4705. ² BULLETIN of June 26, 1949, p. 828.

fined in Germany as a result of conviction by the International Military Tribunal, Nürnberg, and shall be responsible for the custody, care, and execution of sentences and disposition (including pardon, clemency, parole, or release) of war criminals confined in Germany as a result of conviction by military tribunals established by the United States Military Governor pursuant to Control Council Law No. 10.

"6. The Commander in Chief, European Command, shall be responsible for the custody, care, and execution of sentences and disposition (including pardon, clemency, parole, or release) of war criminals confined in Germany under sentences adjudged by military tribunals established by United States Military Commanders in Ger-

many and elsewhere, other than those referred to in paragraph 5 hereof. On the request of the High Commissioner, the Commander in Chief, European Command, shall take necessary measures for carrying into execution any sentences adjudged against war criminals as to whom the High Commissioner has responsibility and control, namely: war criminals convicted and sentenced by military tribunals established pursuant to Control Council Law No. 10."

2. The term "Commander of the United States Armed Forces in Germany," occurring in paragraph 3 of the said order, is changed to read "Commander in Chief, European Command."

This order shall be effective as of June 6, 1949.

Austria Signs Fulbright Agreement

EDUCATIONAL OPPORTUNITIES FOR 1951 ANNOUNCED

AGREEMENT WITH AUSTRIA

Austria and the United States on June 6 signed an agreement 1 putting into operation the program of educational exchanges authorized by the Fulbright Act.

The signing is the first such ceremony to take place at Washington, all previous agreements having been signed in the capitals of the countries concerned.

Secretary Acheson represented the Government of the United States, and Dr. Ludwig Kleinwaechter, Minister of Austria, represented the Government of that country.

This agreement is the eighteenth signed under the act, previous agreements having been signed with the Governments of Australia, Belgium and Luxembourg, Burma, China, Egypt, France, Greece, India, Iran, Italy, Korea, the Netherlands, New Zealand, Norway, the Philippines, Turkey, and the United Kingdom.

The agreement provides for a United States Educational Commission in Austria to assist in the administration of the educational program financed from certain funds resulting from the sale of United States surplus property to that country. It provides for an annual program of the equivalent of approximately 250,000 dollars in Austrian schillings for certain educational purposes.

These purposes include the financing of:

studies, research, instruction, and other educational activities of or for citizens of the United States of America

in schools and institutions of higher learning located in Austria or of nationals of Austria in United States schools and institutions of higher learning located outside the continental United States . . . including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or furnishing transportation for nationals of Austria who desire to attend United States schools and institutions of higher learning in the continental United States . . . whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions.

All recipients of awards under this act are selected by the Board of Foreign Scholarships, appointed by the President of the United States.

The Commission in Austria will consist of eight members, the honorary chairman of which will be the United States Minister to Austria. The members of the Commission will include four citizens of Austria and four citizens of the United States.

After the members of the Commission in Austria have been appointed, information about specific opportunities for American citizens to pursue study, teaching, or research in that country, for the 1951-52 academic year, will be made public. At that time, applications for these opportunities will be received by:

For graduate study

The Institute of International Education 2 West Forty-fifth Street New York 19, New York

Fulbright Program Advisers on the campuses of American colleges and universities

For teaching in Austrian elementary or secondary schools

The United States Office of Education Federal Security Agency Washington 25, D.C.

¹For text of agreement, see Department of State press release 595.

For university teaching, or advanced research

The Conference Board of Associated Research Councils 2101 Constitution Avenue NW. Washington 25, D. C.

FULBRIGHT OPPORTUNITIES FOR 1951

Opportunities for more than 1,000 Americans to undertake graduate study, teaching, or research abroad, during the 1951-52 academic year, under the terms of the Fulbright Act, were announced, on June 5, by the Department of State. A comparable number of opportunities will be available for foreign nationals to come to the United States for similar purposes.

The countries in which these opportunities will be available are Australia, Belgium, Burma, Egypt, France, Greece, India, Iran, Italy, the Netherlands, New Zealand, Norway, the Philippines, Turkey, and the United Kingdom.

All applications for visiting lecturers, teachers, and research awards must be submitted by October 15 and for students awards by October 31. Persons wishing to apply should send their inquiries to the following agency, in addition to those already listed on the preceding page:

For teaching in American secondary schools abroad

American Schools Service American Council on Education 744 Jackson Place NW. Washington 6, D. C.

These awards are made under Public Law 584, 79th Congress, the Fulbright Act, which authorizes the Department of State to use certain foreign currencies and credits acquired through the sale of surplus property abroad for programs of educa-

tional exchange with other nations.

Grants are normally made for 1 academic year and are renewable only in exceptional cases. Grants to Americans usually include round-trip transportation, tuition or a stipend, a living allowance, and a small amount for necessary books and equipment. Grants to foreign nationals include round-trip transportation only, and their expenses in the United States must be met from other sources. All grants under the act are made in foreign currencies.

Opportunities in each country are listed below:

Belgium and Luxembourg.—For Americans: 20 graduate students: 3 teachers; 3 research scholars; 2 visiting lecturers. For Belgians and Luxembourgers: travel grants to 20 students; 3 teachers; 4 research scholars; 1 visiting lecturer.

Burma.—For Americans: 3 graduate students; 5 teachers; 5 research scholars; 5 visiting lecturers. For Burmese: travel grants to 25 students, teachers, research scholars, and lecturers.

France.—For Americans: 220 graduate students; 12 teachers; 30 research scholars; 10 visit-

ing lecturers; 4 instructors in library science; 4 instructors in social work; 2 instructors in nursing education. For French: travel grants to an identical number in the categories listed above.

Greece.—For Americans: 10 graduate students; 22 teachers; 6 research scholars; 7 visiting lecturers. For Greeks: travel grants to 33 students, 10 research scholars and lecturers; 247 scholarships for Greek students to attend American-sponsored schools in Greece.

Italy.—For Americans: 100 graduate students; 11 teachers; 21 research scholars; 12 visiting lecturers. For Italians: travel grants to 80 students; 9 teachers; 50 research scholars and lecturers; 5 scholarships for Italian students to attend American-sponsored schools in Italy.

The Netherlands.—For Americans: 25 graduate students; 25 teachers; 4 research scholars; 12 visiting lecturers. For Netherlanders: travel grants to the United States to 100 students, teachers, and research scholars and 10 visiting lecturers.

New Zealand.—For Americans: 10 graduate students; 2 teachers; 3 research scholars; 3 visiting lecturers. For New Zealanders: travel grants to 10 students; 8 teachers, research scholars, and lecturers.

The Philippines.—For Americans: 6 graduate students; 4 teachers; 2 research scholars; 8 visiting lecturers. For Filipinos: travel grants to 35 students; 5 teachers, research scholars, and

lecturers.

Australia, Egypt, India, Iran, Norway, Turkey, United Kingdom.—The awards to be offered in these countries are of comparable nature, but the exact number of awards is not known at the present time—and will be announced later. In the meantime, applications may be submitted to the agencies listed above by persons interested in study, research, or teaching in these countries.

Letters of Credence

Greece

The newly appointed Ambassador of Greece Athanase G. Politis presented his credentials to the President on July 13, 1950. For texts of the Ambassador's remarks and the President's reply see Department of State press release 748 of July 13.

Portugal

The newly appointed Ambassador of Portugal, Señor Luis Esteves Fernandes, presented his credentials to the President on June 23, 1950. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 672 of that date.

Expanded Information Program Vital to National Security

MESSAGE OF THE PRESIDENT

The President on July 13 sent the following letter to the Speaker of the House of Representatives which was released to the press by the White House on the same date.

I have the honor to transmit herewith for the consideration of the Congress supplemental estimates of appropriation for the fiscal year 1951 in the amount of \$89,000,000 for the Department of State and the General Services Administration.

On several recent occasions I have directed the attention of the Congress and the Nation to the growing abuse and vilification of Communist propaganda. Unsuccessful in its attempts to win Western Europe through ideological appeals, communism is seeking to discredit the United States and its actions throughout the world. If it succeeds in this effort to create distrust and hatred of our Government and its motives, the gains we have recently made in Western Europe may be substantially nullified. Our material assistance, to be fully effective, must be complemented by a full-scale effort in the field of ideas.

The free nations of the world have a great advantage in that truth is on their side. Communist leaders have repeatedly demonstrated that they fear the truth more than any weapon at our command. We must now throw additional resources into a campaign of truth which will match in vigor and determination the measures we have adopted in meeting postwar economic and military problems. Anything less than our best and most intense effort will be insufficient to meet the challenge—and the opportunity.

This expanded program has been developed on the basis of first things first. It does not propose a general world-wide expansion of our information and educational exchange efforts. Instead it is concentrated on the most critical areas in the world today. Each of these critical areas has been studied with great care; our objectives for each area have been defined. What we are now doing in each area has been appraised, and the additional steps needed have been determined.

I regard such an expanded campaign of truth as vital to our National Security. We will never attain real security until people everywhere recognize that the free nations of the world are the true seekers of permanent peace.

The details of these estimates are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

ADVISORY COMMISSION ON INFORMATION ENDORSES PROGRAM

The President on July 17 received the following communication, dated July 14, from the Advisory Commission on Information which was released to the press July 17. Members include Mark Ethridge, Chairman, Mark A. May, Erwin D. Canham, Philip C. Reed, and Justin Miller.

The Advisory Commission on Information, set up by Congress under Public Law 402 and appointed by yourself, desires to communicate to you its feeling of the urgency of an immediate step-up in our whole information program directed to peoples of other countries.

As you are aware, the Commission, since its organization, has called attention to the anomaly which exists by reason of the expenditure of 15 billions of dollars a year on defense, 5 to 6½ billions a year on economic and foreign aid, and, this year, a little over 30 million dollars on our total information and education program designed to make the rest of the world understand our purposes.

You have been aware of the necessity for a much more vigorous "campaign of truth," as you demonstrated in your speech to the American Society of Newspaper Editors. In that speech, you said, among other things,

We know how false these Communist promises are. But it is not enough for us to know this. Unless we get the real story across to people in other countries, we will lose the battle for men's minds by default.

That statement is even truer now than when you gave utterance to it, because of the aggression in Korea and the light in which Soviet propagandists have tried to place our resistance to it. The Korean aggression has made it all the more imperative that we intensify our effort to give the true picture of America, her intentions and

her actions, than it has ever been before. The Commission feels that the field for that sort of information is even more fruitful than it has ever been because the Kremlin has revealed itself and its intentions more clearly than at any time since the end of the war. Now is the time to marshal the determination of the peoples of the free world not to succumb to this vicious ideology which promises Utopia but gives chains.

Although the Commission heartily endorsed what you said to the editors, it has refrained from expressing that endorsement because it wanted to see more concrete proposals from the State Department as to how additional money would be spent and a more explicit statement of the national objectives which we were trying to communicate

to others.

Within the past few days, the Commission has had an opportunity to review field studies which have been made by the Public Affairs Division of the Department. They are quite explicit as to facilities which will be required to reach the critical areas of the world and to counter, as best it may be done, the tremendous jamming effort which the Russians are making. They are quite explicit as to the manpower and money which will be required to reach the peoples we want to reach. Moreover, there is a better understanding in the Department, and a better expression of that understanding, of what our information objectives are. The Commission has previously reported to the Secretary of State and to the Congress that there is a much better integration between policy making and policy exposition through information channels than there has been at any time in the 2 years of the Commission's life.

The proposals which resulted from the Public Affairs Division's field study and from its policy studies in the Department have been sent to the Budget Bureau in the form of a request for a supplemental appropriation for physical facilities and for operating funds. That proposal is in line with your own statement to the editors, and we understand that it has been given approval in principle for the National Security Council. To that, the Commission desires to add its own unanimous endorsement and stress the urgency of early

action.

We think certain considerations are obvious in warranting action before the adjournment of Congress:

The time element is such that the United States must move as rapidly as possible. We do too little now, and next year may be too late in many areas.

The propaganda effort of the U.S.S.R., now bordering on open psychological warfare, is a major threat to this Government's foreign policy objectives.

A psychological offensive by the United States based on truth is essential if the United States is to succeed in its foreign policy objectives.

The present funding of the USIE program is insufficient to provide the means effectively to take

the psychological offensive.

The Commission is directing a similar communication to the appropriate chairmen of the Senate and House Committees.

Dedication of Memorial at Bastogne

Address by the President 1

[Excerpts]

As you dedicate this noble monument, it is difficult to realize that only a few short years ago these fields and forests of the Ardennes bore one of the most bitter battles of the war. On this spot, the backbone of Hitler's armed forces was broken, for his inability to reduce Bastogne

doomed his final offensive to failure.

Belgium and the United States share a love of freedom that springs from the roots of our national characters. We have stood side by side throughout two world-wide conflicts in defense of freedom. Today, we find ourselves "partners in peace" in the North Atlantic Treaty. Both of our nations fervently desire peace—permanent, everlasting peace—but neither of us is willing to buy that peace at the price of liberty. As we have stood united before when our liberty has been endangered, we stand united today in the hope that proof of our determination to fight again for our liberty, if necessary, will make it unnecessary for us to do so. In freedom there is strength and in union there is strength. Both our nations are founded on these principles.

This monument commemorates our joint efforts in battle with Hitlerite Germany. Never again must we permit Germany or any other nation to launch such destruction. In spite of the suffering so bravely endured by your country as a result of German aggression, you have shown vision, restraint, and understanding toward the Germans. In this attitude, we find a source of hope and encouragement, for only vision, restraint, and understanding can build a new Europe, all of whose peoples can live and work together in peace and

freedom.

In future years, we can hope that our children and grandchildren will look upon this memorial and know its meaning but without the burning memory of war's horror—having read of it in their history books but not knowing its actuality.

¹Read by the U.S. Ambassador to Belgium, Robert Murphy, at the dedication ceremonies, on July 16, at Bastogne, Belgium, of a memorial to the Americans who lost their lives in the battle at Bastogne, and released to the press on the same date.

The United States in the United Nations

REVIEW, JUNE 16-JULY 31

An attack by North Korean forces across the 38th parallel in the early hours of Sunday, June 25, evoked prompt and continuing action on the part of the United Nations to meet the crisis. To deal with the problem, up to August 1, the Security Council had held seven meetings, none of which were attended by the Soviet representative. However, on July 27 Soviet representative Yakov A. Malik telephoned the Secretary-General that "in accordance with established procedure, I am assuming the Presidency" of the Security Council in August and requested that a Council meeting be arranged for August 1. This will be the first time a Soviet representative has attended a Security Council meeting since the Soviet boycott began in January, of all United Nations organs on which the Chinese National Government is represented.

The eleventh session of the Economic and Social Council is in progress in Geneva. At Lake Success, the Trusteeship Council concluded its seventh session and the Interim Committee held six meetings, the first since February 7. The Economic Commission for Latin America concluded its meeting in Montevideo, and general conferences of three specialized agencies ended in Geneva, Montreal, and Florence. The International Court of Justice, sitting at The Hague, handed down advisory opinions on the questions of the interna-tional status of South West Africa and on the satellite peace treaties in connection with alleged violations of human rights in Bulgaria, Hungary, and Rumania. Field bodies established by the General Assembly continued to deal with the problems in Korea, Greece, Libya, Palestine and other parts of the world.

Security Council

As a result of the Korean crisis, the Security Council met in emergency session on Sunday, June 25, at the request of the United States. It had before it a report to the Secretary-General from the United Nations Commission on Korea in

Seoul reporting on the North Korean attack and confirming the existence of a situation "which is assuming character of full-scale war." The Council adopted a resolution, on the basis of a United States draft which determined that the attack of North Korean forces upon the Republic of Korea constituted a breach of the peace, called for the immediate cessation of hostilities and the withdrawal of North Korean forces to the 38th parallel, asked the Korean Commission to keep the Council informed on the execution of the resolution, and called upon all members to render every assistance to the United Nations in the execution of the resolution and to refrain from giving aid to the North Korean authorities. All Council members voted for the June 25 resolution except Yugoslavia, which abstained and the U.S.S.R. which was absent.

The Council followed up this resolution with passage of another on July 27, which, after noting the Korean Commission's report of the noncompliance by the North Korean authorities with the Council's requests of June 25, recommended that United Nations members "furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area."

The June 27 resolution received seven affirmative votes. Yugoslavia opposed it, the U.S.S.R. was absent, and Egypt and India abstained because of lack of instructions. India, however, at a June 30 Council meeting announced its accept-

ance of the second resolution.

Under a resolution sponsored jointly by the United Kingdom and France, the Council on July 7 recommended that offers of military and other assistance for the Republic of Korea be made available to "a unified command under the United States," asked the United States to designate a commander of the unified forces, and authorized the use of the United Nations flag by the unified command. Seven states supported the resolution; Egypt, India, and Yugoslavia abstained, and the U.S.S.R. was absent. The United States named General Douglas MacArthur as the commander of the unified forces, and he is now flying the United Nations flag over his headquarters.

Fifty-two United Nations members replied favorably to Secretary-General Lie's communication asking support for the Security Council action of June 25 and 27. All members except Egypt and Yugoslavia answered the communication. In addition to the United States assistance furnished to the Republic of Korea almost immediately following Security Council action, 23 United Nations members had by July 31 made offers of combat units, naval and air support, merchant shipping, medical supplies, food, and other material assistance.

In response to a request in the July 7 resolution, United States Ambassador Warren R. Austin presented to the Council on July 25 the first report of the unified command on the Korean operations. The report outlined the coordination of various United Nations national units of land, sea, and air forces, and concluded with General MacArthur's prediction of continually increasing strength for the United Nations forces and his assertion that the enemy "has had his great chance but failed to exploit it." Commendatory statements on the report were made at a brief Council meeting July 28.

Commission for Conventional Armaments.—On June 22 and July 20, the working committee of the Commission for Conventional Armaments continued consideration of the United States views on the subject of safeguards for an effective system of regulation and control of conventional armaments. On May 18 the United States submitted a paper setting forth the basic elements of a plan of safeguards; and at these two meetings, three additional papers were submitted. One dealt with a proposed organization for the administration of a system of safeguards. Military and industrial safeguards were the subjects of the other two papers. These working papers will be transmitted to the full Commission for Conventional Armaments along with the records of the working committee.

General Assembly

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The General Assembly's Interim Committee has been considering the Eritrean Commission's report and the report of its Sub-Committee on International Cooperation in the Political Field, while in Libya another step has been taken toward constitutional development. United Nations field commissions operating in Greece and Palestine continued their work temporarily in Geneva, where the International Law Commission has also been in session. The United Nations representative for India and Pakistan studied the Kashmir problem with the Prime Ministers of the two countries concerned.

Interim Committee.—On July 13 the Interim Committee began consideration of the report of the United Nations Commission for Eritrea regarding the disposition of that former Italian colony. The report presents three alternative proposals: (1) federation of Eritrea with Ethiopia, under the sovereignty of the Ethiopian crown; (2) reunion of the whole territory with Ethiopia; and (3) independence for Eritrea after a maximum period of 10 years under United Nations trusteeship. In four meetings the delegations expressed their views on the problem, but readied no conclusions.

The United States continues to believe that the best and most equitable solution would be the immediate incorporation of Eritrea, excluding the western province, into Ethiopia, Charles P. Noyes told the Committee. However, he continued, the United States is willing to consider a compromise solution involving federation of Eritrea and Ethiopia under the sovereignty of the Ethiopian crown, and believes that such a formula offers "the best promise of a harmonious reconciliation of all the interests involved." He expressed the opposition of the United States to any proposals involving independence or United Nations trusteeship for Eritrea. Ethiopia favored the union of Eritrea with Ethiopia and opposed independence; whereas Italy advocated independence as a solution.

Two meetings of the Committee were devoted to a discussion of the report of its Sub-Committee on International Cooperation in the Political Field and decided to transmit the report to the General Assembly "for its information and that of all the member states."

Libya.—The Libyan Council, of which the United States is one of ten members, approved on July 11 the membership of a committee which is to prepare a plan for calling a Libyan National Assembly. The committee is composed of seven representatives from each of the three territories of Libya—Cyrenaica, Tripolitania, and the Fezzan. The assembly was called for under a General Assembly resolution, and its primary task will be to write a constitution for Libya.

Greece.—The Special Committee on the Balkans, having left a subsidiary group in Athens to maintain liaison between the Committee and its observer corps, assembled in Geneva late in June to begin drafting its report to the General Assembly for the year ending July 31, 1950, a task now nearing completion. On July 18 the Committee adopted a resolution expressing its serious concern over recent accusations emanating from Greek Communist leaders, to the effect that the United States and the United Kingdom were fomenting a Greek attack upon Albania and Bulgaria and to that end were engaged in expanding Greek forces. Stating that the accusations were false and that it saw no evidence of aggressive intentions or preparations by Greece, the Committee added that, since aggression is frequently preceded by propaganda accusing the intended victim of aggressive intentions, the Committee "cannot disregard the possibility that such statements might constitute an attempt to justify in advance aggres-

sive action."

Palestine.—On July 18 the Conciliation Commission for Palestine transmitted its seventh progress report to the Secretary-General, including an annex containing the exchange of notes between the Commission on the hand, and the Arab states and Israel on the other, on a proposal to establish mixed committees for direct negotiations between the parties regarding the Palestine peace settlement. The Commission expressed regret that the Arab states and Israel could not reach agreement on the Commission's proposal and announced its decision to return from Geneva to its official headquarters in Jerusalem, where it will resume meetings in August.

Kashmir.—July 20 through 24 the United Nations representative for India and Pakistan, Sir Owen Dixon, met with the Prime Ministers of India and Pakistan in New Delhi to discuss solution of the Kashmir problem. It was announced that the next meeting of the Prime Ministers is to

be held in Karachi.

Trusteeship Council

With the adoption on July 21 of its report to the General Assembly, the Trusteeship Council completed its seventh session, which had been in progress at Lake Success since June 1. After deciding on June 14 to submit to the General Assembly the draft statute for Jerusalem, along with a report on its findings, the Council began examination of the annual reports on trust territories submitted by administering authorities. Reports on the following territories were considered: Western Samoa, administered by New Zealand; New Guinea and Nauru, under Australian administration; British Togoland; French Togoland; and the United States' strategic trust territory of the Pacific islands. Council reports containing a factual outline of conditions in the territories, conclusions and recommendations, and individual observations of Council members were approved for all six territories.

One petition, presented orally by a representative of the all-Ewe Conference, urged unification under one administration of all Ewe people who reside in the British and French Togolands and the British Gold Coast Colony. In connection with consideration of this petition, the Council adopted a joint United States-Argentine resolution noting the plan of the administering authorities to ascertain the wishes of the inhabitants of the trust territories and requesting a report on the plan's progress, and recommending that appropriate measures be taken to insure preservation of the common traits and traditions of the Ewe people until a definite settlement is reached. The Council also handled over 180 other petitions from individuals or groups in trust territories.

On the final day of the session resolutions were approved on flying the United Nations flag and on the improvement of nutrition in the trust territories. The former, adopted by six affirmative votes, with Belgium and Australia voting negatively and Argentina, the United Kingdom, and New Zealand abstaining, recommends that the United Nations flag be flown over all trust territories side by side with the flag of the administering authority and the territorial flag, if there is one, "it being understood, however, that the Administering Authorities have latitude to handle any practical difficulties of administration which this recommendation might create."

The Council established a standing committee comprised of Argentina, New Zealand, the Philippines, and the United States to deal with the question of administrative unions in which trust

territories participate.

Other Council action included the transmission in a special report to the General Assembly of a declaration of constitutional principles and the draft trusteeship agreement for Somaliland, under which Italy will administer its former colony; the conclusion of arrangements for a visiting mission to trust territories in East Africa (Tanganyika, Ruanda-Urundi, and Somaliland); and the establishment of a committee, composed of Belgium, the Dominican Republic, Iraq, and the United Kingdom, to revise the provisional questionnaire, which serves as the basis for the preparation of administering authorities' annual reports on trust territories under their charge.

Economic and Social Council

Full employment, methods of financing economic development of underdeveloped countries, and the Human Rights Covenant are among the topics being considered by the Economic and Social Council, which opened its eleventh session on July 3 in Geneva. Final action, including approval of a report from seven of the specialized agencies and five of the Council's commissions, was taken on a number of the 52 items on the

Council's agenda.

After a general debate on full employment, including consideration of a report of a group of experts on national and international measures for full employment, the matter was referred to the Economic Committee for further study. In this connection the United States submitted a proposal that United Nations member governments report periodically to the Secretary-General on their economic situation and their policies and programs for employment. The Secretary-General would analyze the reports and make studies on the problems of full employment in the world economy. The Economic and Employment Commission which would make recommendations for action to the Council would consider these reports and studies.

With regard to financing economic development.

of underdeveloped countries, also referred to the Economic Committee for study, the United States co-sponsored a resolution, recommending, among other things, that governments promote domestic measures and international agreements designed to encourage larger and more stable flow of capital exports toward underdeveloped countries and areas. Governments are also asked to take necessary measures to encourage the use of private capital in economic development.

The draft Covenant on Human Rights was referred to the Social Committee for consideration of its broad aspects. A proposal supported by the United States to send the Covenant to the General Assembly without discussion by the Council was

defeated.

Approval of the reports of the Social, Population, Statistical, Transport and Communications, and the Status of Women Commissions involved approval of the number of commission recommendations. The Council expressed its satisfaction with the reports of the International Labor Organization, Food and Agriculture Organization, Universal Postal Union, International Refugee Organization, and Unesco. In connection with the latter, a United States-sponsored resolution was adopted which requested Unesco to seek greater concentration of its program, and also to give special attention to assisting underdeveloped areas through means of education and the development of international understanding.

The United States co-sponsored other resolutions (adopted by the Council) one of which underlines the importance of raising the living standards of aboriginal populations of the American continent, and another of which concerns teaching the purposes, principles, structure, and activities of the United Nations and the specialized agencies in schools and other educational institutions of member states. In connection with the latter, Isidor Lubin of the United States emphasized the necessity of creating public support for the United Nations and said that the main problem is to get adults to accept their responsibilities in an inter-

dependent world.

Other Council decisions involved approval of the Secretary-General's arrangements for a program of training in public administration and of a report by the International Labor Organization on the training of technical workers from countries lacking specialized personnel necessary to the development of their national economy. Final action was also taken on a number of items relating

to nongovernmental organizations.

Economic Commission for Latin America.— The third session of the Economic Commission for Latin America, which took place at Montevideo, Uruguay, June 5–21, was devoted primarily to a discussion of specific problems of economic development. In this connection the Commission reviewed the economic survey of Latin America for 1949 and incorporated its basic conclusions and recommendations on economic development in a 10-point resolution which received unanimous approval. The United States representatives explained that his supporting vote was subject to study by his Government "to determine whether there is anything in the resolution which may not be in harmony with United States economic policy and international commitments." Other resolutions dealt with the problems of technical assistance; distribution, markets and prices of agricultural products; immigration; foreign investment; trade with Europe and intraregional trade; and agricultural credit.

Specialized Agencies

UNESCO.—On the final day of its fifth session, which was held in Florence, Italy, May 22—June 17 UNESCO'S General Conference adopted a resolution expressing the belief that the 1951 program constitutes a "more direct and important contribution to the cause of peace than the program of any previous year." The satisfaction of the delegations was based largely on the fact that agreement had been reached that UNESCO'S program in the future must contribute more directly to peace; that emphasis had been placed on working for the extension of human rights throughout the world; that a greatly expanded project for the reeducation of Western Germany had been voted; and that a "decalogue" of basic objectives, proposed in its original form by the United States, had won general concurrence as a guide to the future.

International Labor Organization.—Unemployment problems, vocational training, industrial relations, and equal pay for work of equal value by men and women were among the questions dealt with by the 33d General Conference of the International Labor Organization which met in Geneva June 7-July 1. In its resolution containing a plan for combating unemployment the Conference among other things urged the establishment of a system of unemployment benefits in countries having no such schemes. The Conference recommended setting up international standards for vocational training of adults, including disabled persons. The Conference will take final action in 1951 on a recommendation for collective agreements providing international standards for collective bargaining machinery and on the matter of equal remuneration for equal work by men and women.

International Civil Aviation Organization.—In its 3-week session in Montreal which concluded June 20, the Assembly of the International Civil Aviation Organization considered a number of technical, economic, and legal problems involved in the safe and orderly development of international civil aviation. It also approved the report of the Icao Council on its past year's work and elected a new Council of 20 nations to serve as Icao's executive body for the next full-scale meeting in 3 years.

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